



รายงานประจำปี 2561

Annual Report 2018

บริษัท เจนเนอรัล เอนจิเนียริง จำกัด (มหาชน)

General Engineering Public Company Limited

Message from the Chairman

In the year 2018, the construction sector continued to grow as a result of the government pushing for a large auction project with a total project value greater than 2017, especially the construction of the infrastructure for large-scale transportation systems, such as the various mass transit projects, high-speed rail project connecting 3 airports, construction projects in the Eastern Economic Corridor (EEC), resulting in the Company can continuously increase product sales with large contractors of such projects

In the year 2019, the construction of the private sector is likely to growth significantly. As a result of the expansion of business related to the construction of large-scale infrastructure projects, both still in operation and many new projects, will effect to invest of the construction of housing projects, condominium project, parking building project and the construction of commercial buildings along the sky train and subway lines according to the growth of the construction. Such project mentioned will directly benefit to the Company both with sales volume and increased revenue including higher work in hand. In addition, in March 2019, Thailand will have a new government election that will create confidence for both domestic and foreign, resulting in a better overall economic outlook in the country.

In order to support the construction sector expansion, the Company has invested in Seven Wire Company Limited (a subsidiary of the Company), manufacturer and distributor of the special qualified PC Wire and PC Strand and started commercial operation the end of 2018 and also invested in General Nippon Concrete Industries Limited (a subsidiary of the Company) manufacturer and distributor of the concrete spun pile by joint venture between the Company and Nippon Concrete Industries Co., Ltd, Japanese company, and had construction of the plant in year 2018 and expected to be able to start commercial operation in year 2019.

the year 2018, the Company faces many obstacles which are a higher competition in the construction industry business, uncertain economic conditions and labor shortages. But with the determination and dedication of the management team and all employees including changing the strategy of operations quickly under various circumstances, allowing the Company to pass through that barrier and continue to operate steadily and continuously in the midst of fierce competition in the past.

On behalf of the Board of Directors, we would like to thank you all customers and shareholders of the Company for their continued support and thank you to the Board of Directors, executives and all employees dedicated to working together for the benefit of the company with fully capable.



Prof. Dr. Borwornsak Uwanno
Chairman of the Board of Directors

Message from the Chief Executive Officer

In year 2018, the Company indicated a continuous increase in sales. However, the fluctuation on pricing of raw materials together with the increase in costs of new employees are hired to support the expected growth, while the new precast concrete and pre-stressed concrete pile factories are not yet able to produce at their best capacity, therefore, the operating result could not reach the expected target.

In 2019, the Company aims to achieving sustainable growth by focused on reducing costs and managing production more efficiently. The strategy was started in the fourth quarter of 2018, which resulted in the Company's operating in the fourth quarter of 2018 being positive from the main operation. Therefore, the Company is seeing that strategy could take the Company achieve the goals. In addition, in year 2019 the subsidiaries both Seven Wire Co., Ltd., production and distribution of pre-stress concrete wire, and General Nippon Concrete Industries Limited, production and distribution of pre-stressed concrete piles ("spun pile") by joint venture with Nippon Concrete Industries Co., Ltd., a leading company in Japan, will come to support the business of the Company stronger in order to meet the needs of every group of customers with effective needs.

The overall construction industry in 2019 is another year that is expected to increase intensely from government sector and private sector which are the infrastructure projects after being extended continuously and private housing market. The Company strongly believes that from all factors mentioned will shift the operating results direction. In addition, the management is committed to achieving a sustainable growth by focusing on becoming a total solution and integrated operations from upstream to downstream business. Moreover, reducing cost and expenses policy, effective management, full capacity production, increase efficiency, and on-going human development will contribute to the Company's success in achieving positive results.



Mr. Thitipong Tangpoonphonvivat
(Chief Executive Officer)

1. Policy and overall business operations

General Engineering Public Company Limited (“the Company”) was established early on September 14, 1962 by Khunying Chatchanee Chatikawanit with registered capital of Baht 500,000 in the name “General Engineering Company Limited” to operate prestressed concrete piles product which at that time was taken to replace the wood pile. The Company was listed as a licensed securities company in the Stock Exchange of Thailand (SET) on March 28, 1991 in the property and construction industry, construction materials sector and converted into a public limited company on November 5, 1993 with a registered capital of Baht 180 million, divided into 18 million ordinary shares at Baht 10 per share.

As at December 31, 2018, the Company has registered capital of Baht 4,588,195,610.65 and paid up capital of Baht 4,588,195,610.65 divided into 5,397,877,189 shares at a par value of Baht 0.85 per share

The Company's core business is the manufacture and sells of construction materials; pre-stressed concrete pile, precast concrete, glass fiber reinforced concrete, special cement products and post-tension slab.

1.1. Operation policy of the Company

General Engineering Public Company Limited (“the Company”) initiated the pre-stressed concrete piles production by the leadership of technology and innovation with standard into the construction industry of Thailand. We have developed several construction materials with modern advanced technology and innovation. Our products consist of various construction materials such as pre-stressed concrete piles, glass fiber reinforced, precast concrete, post-tension slab and alpha truss slab, special cement products. We have been awarded ISO 9001:2015 certification and Thai Industrial Standards (TIS).

❖ Vision

Construction without complication.

❖ Mission

The Company is committed to operating a successful result through the concept;

- Total Solution Provider: We are the embodiment of providing service and consulting to customers so that customers can control costs and construction timeline as planned to achieve highest quality.
- It is one of the customers mind: We are producing goods and services to provide customers with the most satisfaction.

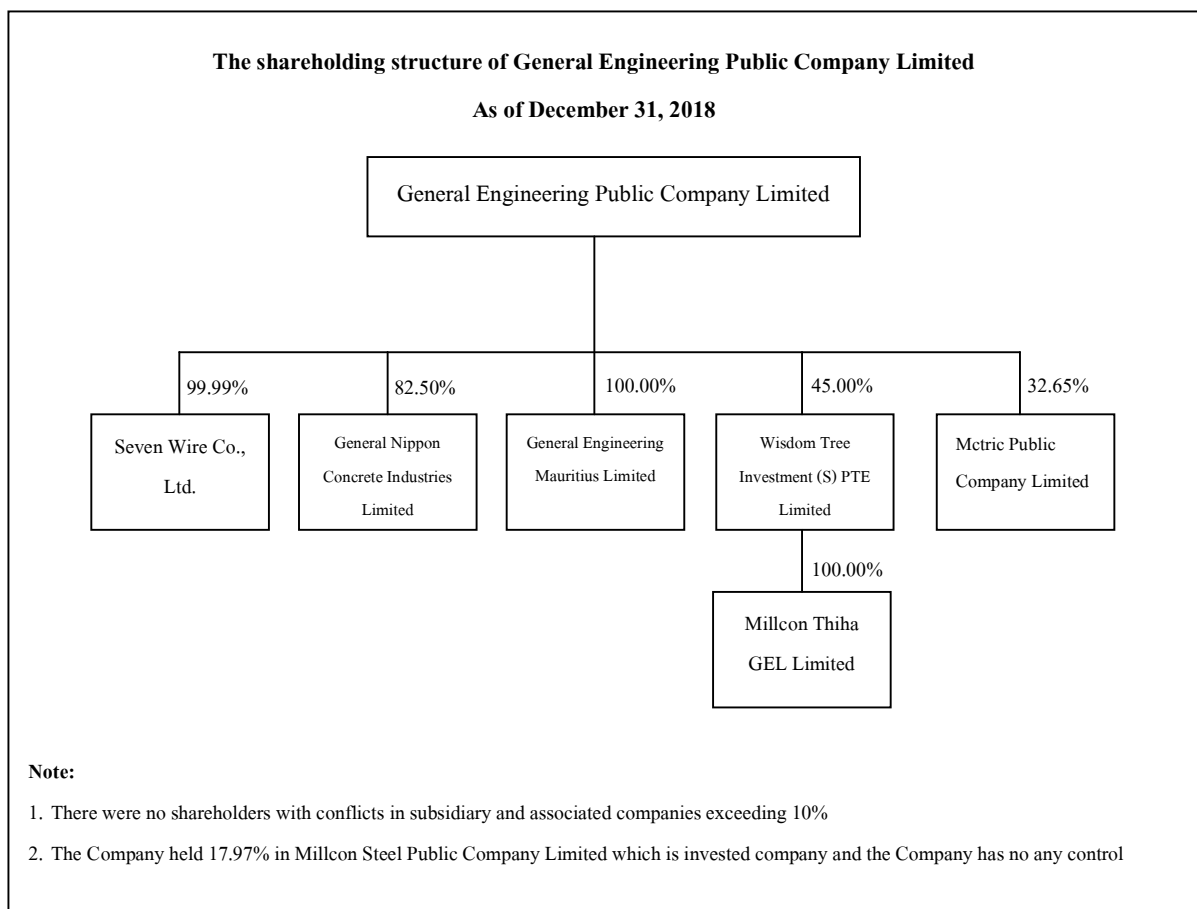
❖ The Company goal

The Company aims to grow at least twice of revenue within the next 5 years. In order to achieve this goal, the Company has developed the appropriate plan to support the upcoming challenges as well as the fulfilling the needs for social responsibility in all aspects of the operations.

1.2. The key events in year 2018 and development

On April 24, 2018	The Board of Directors' Meeting No. 3/2018 had the resolution of approval to delegate of authority to executive committees and/or delegated person to disposition of the common shares held in Prinda Public Company Limited ("PRINDA"), which is manufacturing, trading and transport ting of brick, stone and sand for construction and not listed in the Stock Exchange of Thailand, amount of 4,000,000 ("Four Million shares") shares or 17.39% of paid up capital which is 23,000,000 ("Twenty-Three Million shares") shares at par value Baht 10, including to negotiate the details of the Agreement and related transaction to achieve the best benefit for the Company.
On May 9, 2018	The Company signed the Agreement with Medsai Construction Material Limited ("the buyer") to disposition of common shares held in PRINDA amount of 4,000,000 ("Four Million shares") shares or 17.39% of paid up capital, at Baht 10.50 per share totaling 42,000,000 Baht ("Forty-two Million baht"). The Company received money from Medsai Construction Material Limited and has transferred the common shares held in PRINDA already.
On November 13, 2018	The Board of Directors' Meeting No. 7/2018 had the resolution of approval the increase investment in machinery and system for the plant used in the production and distribution of PC Wire/PC Strand and cold drawn wire of Seven Wire Company Limited ("the Company's subsidiary") with the total amount of Baht 50,000,000 due to increase its capacity.

1.3. The shareholding structure of the Group



List of Subsidiaries and other Associates as of December 31, 2018

Company	Nature of Business	Proportion (%)	Paid up capital (Million Baht)	Cost of investment (Million Baht)	Value of investments (Million Baht)
Subsidiaries					
1. General Engineering Mauritius Limited 10 th Floor, Standard Chartered Tower 19, Cybercity Ebene, Mauritius	Investment business	100.00	0.34	0.34	0.34
2. Seven Wire Company Limited 44/2 Moo 2, Tivanon Road, Tambon Bangkadee, Ampoe Muang, Pathumthani Province 12000 Telephone 0-2194-0990, 0-2194-0991 0-3862-2299, 0-3862-4499	Manufacturing and sell the special qualified PC Wire and PC Strand	99.99	280.00	279.99	279.99

Company	Nature of Business	Proportion (%)	Paid up capital (Million Baht)	Cost of investment (Million Baht)	Value of investments (Million Baht)
3. General Nippon Concrete Industries Co., Ltd. 44/2 Moo 2 ,Tivanon Road,Tambon Bangkadee,Ampoe Muang,Pathumthani Province 12000 Telephone 0-214-3144, 0-2147-3145	Manufacturing and sell concrete spun pile	82.50	200.00	165.00	165.00
<u>Joint Venture Company</u> Wisdom Tree Investment (S) PTE. Limited 1 Raffles Place #39-01 One Raffles Place Singapore (048616) Telephone (65) 6225-1868 Fax (65) 3125-7212	Investment in overseas	45.00	394.80	177.66	150.42
<u>Associated Company</u> Metric Public Company Limited 121/105, RS Tower, 39th Floor, Ratchadapisek Road, Dindaeng District, Bangkok Telephone 0-2641-2100 Fax 0-2641-2030, 0-2641-2029	Construction and System installation services	32.65	300.00	185.63	158.34

Note: There were no shareholders with conflicts in subsidiary and associated companies exceeding 10%.

2. Nature of Business

2.1. Revenue Structure

The revenue structure from business operation of the company for the year 2018 can be classified as follows:

Type of revenue	2018		2017		2016	
	Million Baht	%	Million Baht	%	Million Baht	%
Pre-stressed concrete piles	970.84	47.83	876.83	49.01	741.47	44.03
Concrete product	886.54	43.68	830.95	46.45	761.32	45.21
Special cement	74.43	3.67	46.45	2.60	73.13	4.34
Other products	9.63	0.47	8.24	0.46	9.68	0.57
Steel product	6.57	0.32	-	-	-	-
Total	1,948.01	95.98	1,762.47	98.51	1,585.60	94.14
Interest and discount rates are	0.15	0.01	0.74	0.05	2.69	0.16
Gains on asset sales	42.00	2.07	-	-	-	-
Dividends	2.41	0.12	-	-	68.27	4.05
Share of profit from associated companies	8.51	0.42	-	-	4.82	0.29
Others	28.15	1.39	23.62	1.32	22.55	1.34
Gains from exchange rate	0.46	0.02	2.25	0.13	-	-
Total revenues	2,029.68	100.00	1,789.08	100.00	1,683.93	100.00

2.2. Our Products and Services

1) Core business

The Company is a manufacturer and distributor of construction material and providing services for such products.

Product Group	Product Name	Properties	Usage
Pre-stressed concrete pile products	<ul style="list-style-type: none"> * Rectangular pile * I-shape pile * Pre-stressed Concrete Spun Piles 	Being efficient piles saving time and costs of construction	Government units, state enterprises, department stores, factory, universities, airports, housing Developments and bridge works etc.
Concrete products	* Precast Concrete	Quality and standard can be regularly controlled on the whole piece for quick owner	Factory, department store, high-rise building, stadium etc.
	* Post-Tension slab	Used for space that requires an exceptionally wide distance of columns and requires no slab supporting beam so that the building has few columns and more space for use and that the	Car park building, high rise building floor

Product Group	Product Name	Properties	Usage
		construction can be made quickly.	
	* Semi-finished slab	Designed for use on a slab with a column distance wider than normal standard, it can replace model timber and support weights as needed by the designer. It can be installed quickly.	Factory work, bridge work
	* Glass fiber reinforced concrete product (GRC)	Fiberglass reinforced concrete without steel reinforcement can make products in various shapes with resolution inform. They are attractive light-weighted and easy for installation. It is difficult for ordinary concrete to do so.	For a customer who wants to use a product of a unique and specific Description.
	* Noise Barrier	Being a product used for the prevention of noise pollution resulting from traffic or machinery	Special expressways, highways, underground tunnels, power plants and factories
Special cement products	* DENKA special cement	Being non-shrink cement and supporting a high pressure used for machinery Installation works. It is the one and only product of tens of products, which has passed quality tests and granted approval for use in the installation of generators of the Electricity Generating Authority of Thailand.	EGAT power plants, IPP and SPP power Plants petro chemical Plants, oil refineries, Steel works, paper Factories sugar mills, etc.
	* Super Skim coat	There is a thin plaster adhesion. Used for wall decorations, precast work surface to smooth out beautifully. There are no cracks. Savings color of the painting	In general, high-rise buildings. The finished wall. In general decoration.
	* Construction Chemicals (ESTOP)	There are varieties of products which are suitable for different projects such as Waterproofing, Surface Treatment and Repairing etc.	Used for all types of construction
Steel products	* Steel bar	Ability of forming and excellent	Used for all types of construction

Product Group	Product Name	Properties	Usage
(GEL is a distributor)	* Steel	durability including good stretching. Great yield point and heat conduction as well as another important feature that available in stainless steel is corrosion resistant.	
Ready-mixed concrete products (GEL is a distributor)	-	A mixture of sand, cement, water and concrete admixture mixed from factory including delivery to the construction site by concrete mixer truck.	Used for all kinds of construction and has specifically appropriate to the construction of all types.

Note: Being a product with quality certification under the ISO 9001:2015 Standard

Survey of Customer Satisfaction

	Jul – Dec 18	Jan – Jun 18	Jul – Dec 17	Jan – Jun 17	Jul – Dec 16	Jan – Jun 16
% customer satisfaction	76.36	79.68	79.58	77.53	79.89	78.13

Note:

1. In year 2018, the Company changed the Company's survey customer satisfaction regarding to its more efficiency
2. The Company has set the expectation of customer satisfaction not less than 75%

2) The business of its subsidiaries and associated companies

Subsidiaries companies

(1) General Engineering Mauritius Limited is an investment company which invests in Wisdom Tree Investment (S) PTE. Limited, the joint venture company.

(2) Seven Wire Co., Ltd is a manufacturing and sells the special qualified of PC wire/ PC strand and cold drawn wire. It's headquarter is located in Pathumthani. The plant is located in the IPRC Eco Industrial Zone, Rayong province which produces following products;

1. Prestressed Concrete Wire (Prestressed Concrete Wire - PC Wire)
2. Prestressed Concrete Strands (Prestressed Concrete Wire - PC Strands)
3. Cold Drawn Wire (CW)

(3) General Nippon Concrete Industries Co., Ltd. is a manufacturing and sells concrete spun pile.

Joint venture Company

(1) Wisdom Tree Investment (S) PTE. Wisdom Tree Investment (S) PTE. Limited, an entity incorporated in Singapore. The objective is to invest in a joint venture to manufacture and distribute of steel formed products in Myanmar.

Associate company

- (1) Mctric Public Company Limited operates construction engineering business including electrical and mechanical systems in various fully integrated, divided into two main areas which are general engineering construction, electrical and mechanical systems in various fully integrated with construction in various types such as commercial buildings, residential buildings, educational institution, industry construction and civil engineering construction etc. Mctirc Public Company Limited provides the services from architecture, telecommunications, plumbing sanitation systems and fire protection systems, conditioning and ventilation systems.

2.3. Marketing and competition condition

Marketing and competition condition

In the year 2019, the construction sector continues growing from the previous year. The trend of risen is around 6.5% when compare with 2018 that show in a total of construction value of Baht 1.38 trillion. The government construction project expect to increases around 9% when compare with 2018 or Baht 8.15 hundred thousand million which affect from infrastructure project such as large and small transportation hub. The trend of private construction sector increases around 3.5% or Baht 5.6 hundred thousand million by the construction and expansion on condominium in BTS area and office building project. For the trend of contractor companies that focus on private construction are expect that average income will increases around 2-3% when compared with previous year by the growth of the above projects. For the main raw material price that effect to product manufacturing, the trend of cement products is continues growing 1-3%. On the other hand, the price of steel bar is continues decrees that affected by excess steel production capacity from China. Furthermore, employment factors in the manufacturing sector still have labor shortages. To forecasts in 2019-2020, the labor needs will increases 40,000-110,000 position per year by following the expansion of construction and the labor cost is expected to increase in accordance with the increasing demand for labor.

Which of these factors can expect that private entrepreneurs will focus on the selection of materials in construction projects that support the reduction of construction costs such as use of renewable materials and construction by using a new innovation that will generate work faster and more convenient also, reduce the amount of labor work continuously by using finished and semi-finished technology. At the same time, entrepreneurs are still focused on price, quality and innovation of the products to meet the needs of customers in this new era

Industries of construction material production are comprised of the following customers;

1. Large contractors	The companies with their potentials to bid in large project, such as high sky building and utilities works.
2. Project owners	Require to purchase material for construction by themselves, since the confidence in the quality of products and services without the construction

	contractors.
3. Architectures and engineers	The designers and drawing calculators with their knowledge and understanding for application to those products very well, with their capability to suggest to the project owners to use those products.

Marketing strategies

1) Product and Service Strategy

The company has a policy to focus on the product quality control by bringing innovative and digital technology to innovate and adjust production process and administration. The objective that to maintain business leader in digital age 4.0 and make a difference of competitor. Furthermore, this also involved a total solution provider which covers a wide range of products from the foundation until project completion. Our team has the knowledge and expertise to introduce the products to meet the specific customers' needs.

2) Distribution Channel and Strategy

The company focuses on the direct selling by the sales team that expert in our product for respond the real customer need. The main customer groups of the company are developers, contractors, designers and project consultants

3) Marketing Promotion Strategy

The company focuses on the customer satisfaction and after sale service for the key accounts through the sales, marketing and engineering team. We position ourselves as consultant in the construction field. In addition, we concentrate on the customer relationship management through experience of the product use to lead a long-term business partner.

Industry conditions and competition

The company is a manufacturer of building materials who has long experience with strong 56 years old, as well as a focus on continuous product development. Gel is the manufacturer leader in their product, the number of major competitors in 2018 as following details.

The number of major competitors

Products	The number of major competitors (list)			
	2018	2017	2016	2015
Manufacture and sell prestressed concrete stake	13	13	10	10
Manufacture and installation of concrete wall finished	5	5	14	12
Production and distribution of glass fiber reinforced concrete products. G R C.	4	4	4	2
Manufacture and sell products in prestressed concrete beam	6	6	5	5

wireless type				
Production and sales of cement Denka Products	12	12	12	12

2.4. Providing Products or Services

1) Manufacturing

Currently, the Company has three location as follows.

- (1) The Company headquarter
44/2 Moo 2 Tivanont Road, Bangkadi, Muang Pathumthani, Pathumthani
- (2) Branch (1)
99, 99/1-5 Moo 4, Chiangraknoi, Sam Khok, Pathumthani
- (3) Branch (2)
99/9 Moo 1, Banlang, Muang Rayong, Rayong

Capacity and utilization

Product	2018				2017				2016				2015			
	Full capacity	Actual production	Utilization (%)	Production volume increase (decrease) (%)	Full capacity	Actual production	Utilization (%)	Production volume increase (decrease) (%)	Full capacity	Actual production	Utilization (%)	Production volume increase (decrease) (%)	Full capacity	Actual production	Utilization (%)	Production volume increase (decrease) (%)
Pre-stress concrete pile (cu.m.)	227,550	145,694	64.03	18.70	227,550	122,743	53.94	22.32	165,000	100,344	60.81	3.51	165,000	96,943	58.75	(18.5)
Post-tension slab (m ²)	600,000	434,783	72.46	(20.21)	600,000	544,926	90.82	19.54	600,000	455,869	75.98	21.45	500,000	375,348	75.07	(11.13)
Glass fiber reinforcement concrete (kg)	2,500,000	1,236,228	49.45	(14.90)	2,500,000	1,452,632	80.70	173.96	2,500,000	530,240	21.21	(36.27)	1,700,000	831,980	48.94	102.45
Special Cement (kg)	27,000,000	22,428,275	83.07	>100	27,000,000	8,987,100	33.29	(58.00)	21,000,000	21,396,050	101.89	272.16	15,000,000	5,749,225	38.33	(28.42)
Precast concrete (m ²)	924,000	433,456	46.91	3.15	924,000	420,199	45.48	3.90	700,000	404,434.12	57.78	72.84	700,000	233,997	33.43	(13.83)

2) Supply of raw materials for production to sell

In 2018, approximately 99 percent of the Company's raw material supplied from local manufacturers. For import raw material, the Company can find replacement from other local manufacturers as well as raw materials purchased from local suppliers, the Company, also, can find replacement as there are many suppliers

This year, the prices of raw materials was increased from last year due to fluctuations of raw material costs and fluctuations of both domestic and international economic which it caused to suppliers increased raw materials price in accordance with the changing of market demand. As mentioned, it's resulting in increased in cost of raw material of the Company but the Company has also been given the opportunity to negotiate raw material prices to have lower price from market price.

However, the Company has planned to reserve raw materials with suppliers to support all projects and risk from fluctuations and ordering raw materials to back up the daily production. In addition, the Company is a major manufacturer with good commercial credit for suppliers.

In addition, in year 2018, the Company has set up procurement system for more effectiveness in the better direction. The Company has done some research on logistic cost to help set up middle price. This would lead to an auction with better standards.

3) The main raw material suppliers

Cement	Buy from vendor	2	Lists
PC Wire/PC Strand	Buy from vendor	4	Lists
Steel bar	Buy from vendor	4	Lists
Sand/stone	Buy from vendor	3	Lists

Order of suppliers based on quality, price and commercial terms.

4) Environmental impact

Regarding to the Company is a manufacturing of construction materials therefore they may be pollution that occur, such as dust, noise and industrial waste. The Company is located in zone where the cement industry can be operated. The Company had developed machine and study techniques for reducing dust and noise as well as production sites located far away from neighboring locations. The Company has a safety department in order to take care of the safety and the environment in the factory. The Company has been certified ISO 9001: 2015 which includes pollution control, working conditions, noise, light and dust as well for scrap materials that are not used and are out of the factory area. Ministry of Industry have measures to set rules and regulations for the Company must be treated to dispose of waste or unused materials outside the factory area as well as having to comply with the Public Health Act BE 2535 and the provisions of the Bangkokadee Sub district Municipality Act on the control of businesses that are harmful to health 2548

The Company sees the importance of health and well-being, safety, and work environment, therefore, the policies were announced as follow;

- 1) All facilities shall comply with the applicable law, rules and regulations in terms of safety, health and well-being and work environment.
- 2) The Company shall see the importance of safety, health and welfare of all employees whether in the workplace or other businesses employees and others related are working in.
- 3) Management system is not only responsible for accident precaution, sickness caused by work, and environmental protection but it includes resources preparation, necessary budget required to promote safety culture, health and well-being, work environment and complying with the agreed policy consistently.
- 4) Safety management, well-being and environment are some of the factors that improve the operations performance. Therefore, the Company is committed on the enforcement of safety, health and environment management system to identify, evaluate and control the occupational health and environmental concerns. The Company will continue to improve health and safety system by monitoring, investigating and reporting the progress and improvement as part of change assessment.
- 5) The considerations on any changes of the production, the Company will consider factors from the health and safety system as part of change assessment.
- 6) The Company is responsible for social responsibility and is committed to operate in an environmental friendly, consume raw materials valuably, and consume energy efficiently to reduce emission, waste management and reuse waste resourcefully.
- 7) The health and safety monitoring system will operate continuously and identify items that do not meet the stated requirements to find alternative improvements.
- 8) The Company will apply the excellency in health and safety to the organization and ensure that all employees are contributed in all activities such as trainings, and examining by providing consultancy and facilitate appropriately.
- 9) All employees, contractors and subcontractors are accountable to comply with the stated rules and regulations in terms of health and safety in the workplace and environmental friendly.

The Company is committed to operate environmental and take into account that the community and social environment live together optimistically for the sustainable growth. The environmental good governance policy was announced on 18 March 2014 to notify all employees, community in the area that that Company will strictly comply with the good governance policy and has passed the environmental good governance assessment on 19 September 2016.

2.5 Work has not been delivered

At the end of the consolidated financial statements, the company has sales and service contracts that have not yet been delivered as follows:

(Unit: million baht)	December 31, 2018	December 31, 2017	December 31, 2016
Number of work has not been delivered	1,850.62	1,982.46	1,755.50

3. Risk Factors

The Risk Management Committee considered the Company's risk factors in 2018 that can be summarized as follows.

Business Operation Risks

1) Risk of Commodity Market

Since the global commodity market is based on uniform standards, commodity prices are generally determined by demand and supply in the world marketplace. Commodity prices change in the same direction globally, affecting the Company's profits which fluctuate depending on the economic situation. When commodity market is on an uptrend and consumer demand is higher, the Company enjoys considerable profits. In contrast, when the market plunges and economic crisis occurs, the consumer demand quickly drops. The decrease in demand may go in opposite direction to the production capacity which is still high continuing from the booming economy, resulting in oversupply of commodities and the Company's decline in profits.

The Company has managed this risk by following up the sales presentation to customers using Salesforce program; becoming the total solution provider to increase value to the products; and expanding into emerging markets.

2) Risk of Replacement by Innovative Products

Amidst the intensifying competition in the borderless world, all companies are forced to increase their competitiveness through product innovation to attract customers to use their products and services. Product innovation therefore becomes the new strategic tool for business competition. Over the past years, the global commodity prices have declined sharply due to the world economic slowdown. If the Company does not improve our existing products to be always accepted by the target customers, other competitors will launch new products to replace ours.

The Company, thus, mainly focuses on innovative or hi-tech technologies to develop more value-added products and services in order to boost the sales volume. The Product Development Department was established to mutually work with other production-related departments with the dedicated attempt to determine the directions for product innovation, product differentiation, business diversification, and emphasis on business development through building of corporate image and branding to be better recognizable. These will further bring about positive changes to the Company and uplifting of our competitive edge in international arena.

The company has collaborated with leading universities in Thailand (MOU) to jointly develop research and exchange knowledge that will lead to new innovations in engineering and education including the personnel that will have to accept students for internships and work with the company in the future.

3) Risk of Human Resources Management and Personnel Competencies to Support Future Business Growth

The Company has continually improved our human resources management system to be consistent with the planned business strategies in order to prepare our personnel to be ready for business growth in the future. For example, the Company has prepared manpower to accommodate expansion of business via personnel assessment, development of personnel competencies, and experimentation of highly efficient personnel management system. We place importance on all aspects of personnel, including their remuneration, career growth and development, and assignment of tasks which

suit personnel capabilities. As for development of personnel's business knowledge and skills, the Company provides training programs by Human Resource Development department, which are suitable for each level of personnel, including leadership and teamwork training courses to support business growth in the future.

4) Risk of Compliance with the Company's Rules, Regulations and Articles of Association

This risk also covers non-compliance with both internal and external rules and regulations, including laws, government policies, anti-corruption practices, and ethics. These rules, regulations and Articles of Association are always subject to change. Failure to conform to, in full or in part, these rules, regulations and Articles of Association will lead to damage of the Company's reputation, punishment, penalty, or loss of business opportunities.

In 2015, the National Legislative Assembly passed the Organic Act on Counter Corruption (No. 3), B.E. 2558 (2015) which is the amendment to the counter corruption legislation by increasing the penalties. Complying with this law, the Company stresses the importance of anti-corruption and cultivates it as the organizational culture.

Corruption generally results in far-reaching damage to businesses, e.g. too high costs of business, unfair competition, lack of trust in products and organizations. Therefore, in 2016 the Company established the anti-corruption policy and communicated to all directors, executives, and personnel of all levels to ensure they strictly follow the code of conduct and anti-corruption policy. The Company raises anti-corruption awareness; provides relevant knowledge; and prevents corrupt practices within the organization in conformity with the anti-corruption policy. This will consequently avoid unnecessary costs of business, and business partners will be interested in joint investment with the Company as they are confident that they will receive fair and equal treatment. Besides, customers will have trust in the Company's quality products and services.

Apart from regular communication of anti-corruption policy within the organization, the Company also has intention to promote and disseminate to other corporations in Thailand and business partners the good corporate citizenship practice in tandem with development of communities, society, and environment to benefit the public at large and to achieve sustainable business.

5) Risk from the information technology due to network connectivity failure and external disturbances.

Information technology is playing a dominant role in driving the business's operations. All internal activities have relations to the information technology and each day large amount of information is being sent via the information technology to facilitate the internal operations. Information is a valuable asset and if it is at risk for being violated, damaged, and used for inappropriate purposes such as network connectivity failure, unable to access an internal system through the intranet, server being infected from malwares and spread to the remaining network. Data modification or interpretation of pictures on the company's website, seizure of confidential data from internal and external sources intentionally or unintentionally. Such occurrence can impact on the operations of officers, management of the company and others in accessing the webserver or required data, which can cause damages to the business in return.

The company has an approach to taking control and providing solution to such concerns including monitoring the main networking system, installing a networking system for protection and precaution, organizing of necessary plans or procedures respectively, inspecting the policy and log of the network to prevent the networking invasion, the installation of anti-virus to the host, and regular virus scanning updates.

Production Risks

1) Risk of Raw Material Cost Control

Based on the nature of concrete pile and concrete slab distribution business, it is necessary to manufacture the construction materials according to the customers' orders. This makes it difficult to control the production costs and the Company does not save costs from the economy of scale model. Moreover, it has to encounter risk factors throughout the supply chain, starting from raw materials and equipment procurement, transport, distribution and delivery of products and services. In case of inconsistency in the supply chain process, it will affect customers' trust, stakeholders, and entire business. As a result, the Company has managed this risk by using the ERP system to control the costs of raw materials.

2) Risk of raw material procurement

The company uses domestic raw material for production at 99% of all raw materials used. When the price of raw materials adjusted higher, then the problem of the deficit came after in some duration. Some materials were in the form of monopoly, cause of less negotiation. In this case, the company has solved by following up the information and news of prices and raw material sources closely. There was planning to purchase those raw materials reasonably and sufficiently for production. While pre-purchase has been made if the signal of deficit occurred. In addition, the company is reliable from those raw material producers, so purchasing each time was in high volume, so those producers could provide raw material sufficiently and on time for the demand.

3) Risk of Product Quality Control

In the present market situation, competition is increasingly tougher and consumers' demands are different and volatile. Manufacturers need to develop their product quality to satisfy consumer demand. They have to become the leaders in creating new products to convince and interest their customers. In the highly competitive market, only quality products that are in high demand and sustainably developed will survive. They must create the products which respond to their target customers in terms of quantity and quality through quality control in all operation steps.

The Company, therefore, organized training on the products of the Company continuously to meet the standards for employees by quarterly to check the quality of products and services with more stringent criteria. In addition, not only quality, the Company also takes into account the delivery of work to meet customers' requirements which has set out to be a policy this year and adherence to the contract for customers.

4) Risk of Manpower Shortage and Wage Hike

The world and Thailand are entering the aged society and the working age population is shrinking, causing lack of workforce. The businesses which rely on a large number of employees will be inevitably affected. Competition for workers and wage increase will subsequently occur. Shortage of construction workers is also a serious problem for the property development business. Insufficiency in labor force, especially technicians, in Thailand spurs many business entrepreneurs to look for prefabricated construction technologies which help reduce construction period and workforce.

Realizing the risk of manpower shortage and wage hike, the Company has initiated activities to create good relationship with universities and other organizations. Also we have the student internship program to prepare them for their future careers through learning in our organization.

The company has recruited to hire skilled foreign workers (MOUs) in law to replace the labor shortage as well as collaborating with leading universities in the country (MOU) to jointly develop research and exchange knowledge that will lead to new innovations In engineering and education including the personnel that will have to accept students for internships and work with the company in the future.

4. General information and other important information

4.1 General Information

1) General Information of the Company (As of 31st December 2018)

Company name	: General Engineering Public Company Limited
Company symbol	: GEL (On 14 March 2014 the Company changed symbol from "GEN" to "GEL")
Headquarter	: 44/2, Moo 2, Tivanon Road, Bangkadee, Muang, Pathumthani 12000
Branch office	: Branch (1): 99, 99/1-5 Moo 4, Chiangraknoi, Sam Khok, Pathumthani 12160 Branch (2): 99/19 Moo 1, Banlang, Muang Rayong, Rayong 21000
Nature of Business	: Manufacturing and selling of construction materials: Pre-stressed concrete pile products, Precast concrete slab and wall products, glass fiber reinforced concrete product, non-shrink cement product and post-tension slab
Register Number	: 0107536001338
Contact numbers	: Tel 02-501-2020, 02-501-1055 Fax 02-501-2468, 02-501-2134
Website	: www.gel.co.th
Registered Share Capital	: 4,588,195,610.65 Baht
Paid up Share Capital	: 4,588,195,610.65 Baht
Paid up ordinary shares	: 5,397,877,189 shares
Par value	: 0.85 Baht
Accounting period	: 1 January - 31 December
Share Registrar	: Securities Depository Centre (Thailand) Co., Ltd. 62, The Stock Exchange of Thailand Building, Ratchadaphisek Road Khwaeng Khlongtoei, Khet Khlongtoei Bangkok Metropolis 10110 Telephone 02-229-2800 Fax 02-359-1259
Auditor	: Grant Thornton Company Limited 18th Floor, Capital Tower All Seasons Place 87/1 Wireless Road Bangkok 10330, Thailand. Telephone : 02-205-8222 Fax : 02-654-5399, 02-654-3339

2) General information of Subsidiaries and Associates

i. Subsidiaries

(1) Company name	General Engineering Mauritius Limited
Headquarter	: 10 th Floor, Standard Chartered Tower 19, Cybercity, Ebene, Mauritius
Nature of Business	: Investment business
Contact numbers	: Tel (023) 0404 6000
Registered Share Capital	: -
Paid up Share Capital	: 337,768 Baht or 10,000 USD
Shareholding	: 100.00%

(2) Company name	: Seven Wire Company Limited
Headquarter	: 44/2, Moo 2, Tivanon Road, Bangkadee, Muang, Pathumthani 12000
Branch	: 99/9 Moo 1, Banlang, Muang Rayong, Rayong 21000
Nature of Business	: Manufacturing and sell the special qualified PC Wire and PC Strand
Contact numbers	: Tel 02-194-0990, 02-194-0991 038-622-2999, 038-624-499
Registered Share Capital	: 280,000,000 Baht (2,800,000 Shares at 100 Baht per share)
Paid up Share Capital	: 280,000,000 Baht
Shareholding	: 99.99%

(3) Company name	: General Nippon Concrete Industries Limited
Headquarter	: 44/2, Moo 2, Tivanon Road, Bangkadee, Muang, Pathumthani 12000
Nature of Business	: Manufacturing and sell concrete spun pile
Contact numbers	: Tel 02-147-3144, 02-147-3145
Registered Share Capital	: 200,000,000 Baht
Paid up Share Capital	: 200,000,000 Baht
Shareholding	: 82.50%

ii. Associated company

(1) Company name	Wisdom Tree Investment (S) PTE. Limited
Headquarter	: 1 Raffles Place #39-01 One Raffles Place Singapore (048616)
Nature of Business	: The company set up in Singapore for business investment in a joint venture to build and operate the plant, production and sale of steel products in Myanmar.
Contact numbers	: Tel (65) 6225-1868
Investment value	: 12 Million USD
Shareholding	: 45%

Related status : Joint venture company

- (2) Company name : Mctric Public Company Limited
- Headquarter : 121/105, RS Tower, 39th Floor, Ratchadapisek Road, Dindaeng District, Bangkok
- Nature of Business : Construction and System installation services
- Contact numbers : Tel 0-2641-2100
Fax 0-2641-2030, 0-2641-2029
- Registered Share Capital : 450,000,000 Baht (450,000,000 shares at 1 Baht per share)
- Paid up Share Capital : 300,000,000 Baht
- Shareholding : 32.65%
- Related status : Associated company

3) Share Registrar

Thailand Securities Depository Co., Ltd.

93 The Stock Exchange of Thailand Building, Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400

4) Auditor

Mrs. Sansanee Poolsawad Certified Public Accountant License No. 6977 or Mr. Teerasak Chuasrisakul Certified Public Accountant License No. 6624 or Ms. kanyanat Sriratchadchawan Certified Public Accountant License No. 6549 or Mr. Narin Joramongkol Certified Public Accountant License No. 8593

Grant Thornton Company Limited 18th Floor, Capital Tower All Seasons Place 87/1 Wireless Road Bangkok 10330.

4.2 Other Information

-None-

5. Securities and Shareholder Information

5.1. Number of registered capital and paid-up capital

Registered and paid-up capital as at 31 December 2018, the Company registered capital is Baht 4,588,195,610.65 which paid up capital is Baht 4,588,195,610.65 divide into ordinary shares of 5,397,877,189 shares at par value of Baht 0.85 per share

5.2. Shareholders

1) Shareholder structure

As of 31st December 2018 (referred the closing date (XO Date) as of 19 November 2018)

The distribution of shareholding by nationality

Thai Shareholders						Foreign Shareholders					
Juristic person	No. of juristic person	%	Individuals	No. of shareholder	%	Juristic person	No. of juristic person	%	Individuals	No. of shareholder	%
124,619,774	19	2.31	5,136,346,769	11,360	95.15	136,289,502	3	2.53	621,144	13	0.01

2) List of Top 10 Major shareholders (referred the closing date (XO Date) as of 19 November 2018)

Name of Shareholders	Nationality	Number of shares	
		Shares	%
1. Mr. Thitipong Tangpoonphonvivat	Thai	611,714,400	11.33
2. Mr. Thawisak Sriprachitichai	Thai	269,000,000	4.98
3. Mr. Sittichai Leesawadtrakul	Thai	249,722,100	4.63
4. Mr. Somchai Patphai	Thai	126,000,000	2.33
5. LGT BANK (SINGAPORE) LTD	Singapore	125,027,300	2.32
6. Mr. Prasith Vitanakorn	Thai	121,400,008	2.25
7. Ms. Thanika Tangpoonphonvivat	Thai	107,300,493	1.99
8. Ms. Pornnatee Sompongchaikul	Thai	105,797,100	1.96
9. Ms. Pranee Vonphaitoonpiya	Thai	100,032,700	1.85
10. Mr. Pichai Wijakpan	Thai	86,438,700	1.60

3) Change in Holding of the Company's Shares of the Director and Executive during the year 2018

Name	Position	Number of Securities held			
		As of December 31, 2018	As of December 31, 2017	Increase (Decrease)	Share holding in the Company (%) As of December 31, 2018
1. Professor Dr. Borwornsak Uwanno	Chairman of the Board of Director	-	-	-	-
Spouse and underage children		-	-	-	-
2. Mr. Sophon Pholprasit	Vice Chairman of the Board of Director	-	-	-	-
Spouse and underage children		-	-	-	-
3. Mr. Thitipong Tangpoonphonvivat	Director	665,205,500	198,485,900	466,719,600	12.32
Spouse and underage children		-	-	-	-
4. Dr. Tawat Anantanavanich	Director	-	-	-	-
Spouse and underage children		-	-	-	-
5. Mr. Wuttichai Sresthabutra	Director	-	-	-	-
Spouse and underage children		-	-	-	-
6. Mr. Suchat Boonbanjerd Sri	Independent Director	-	-	-	-
Spouse and underage children		-	-	-	-
7. Mrs. Pannee Jarusombat	Independent Director	-	-	-	-
Spouse and underage children		-	-	-	-
8. Dr. Vichya Krea- Ngam	Independent Director	-	-	-	-
Spouse and underage children -None-		-	--	-	-
9. Mr. Wirach Morakotkarn	Independent Director	-	-	-	-
Spouse and underage children		-	-	-	-
10. Mrs. Wisadja Kochsena	Director of Accounting & Finance	334	334	-	-
Spouse and underage children		-	-	-	-
11. Mrs. Linjong Srisongkhram	Director of Sale	-	-	-	-
Spouse and underage children		-	-	-	-
12. Mr. Surachart Uamum	Director of Production and Service of Pre-stressed Concrete Piles	-	-	-	-
Spouse and underage children		-	-	-	-

Name	Position	Number of Securities held			
		As of December 31, 2018	As of December 31, 2017	Increase (Decrease)	Share holding in the Company (%) As of December 31, 2018
13. Mr. Sarun Wiangkhamma	Director of Production and Service of Precast Concrete	-	-	-	-
Spouse and underage children		-	-	-	-
15. Mr. Pornchai Nunlaong	Director of Steel Products and Production Support	-	-	-	-
Spouse and underage children		-	-	-	-

5.3. The issuance of other securities

-None-

6. Dividend Policy

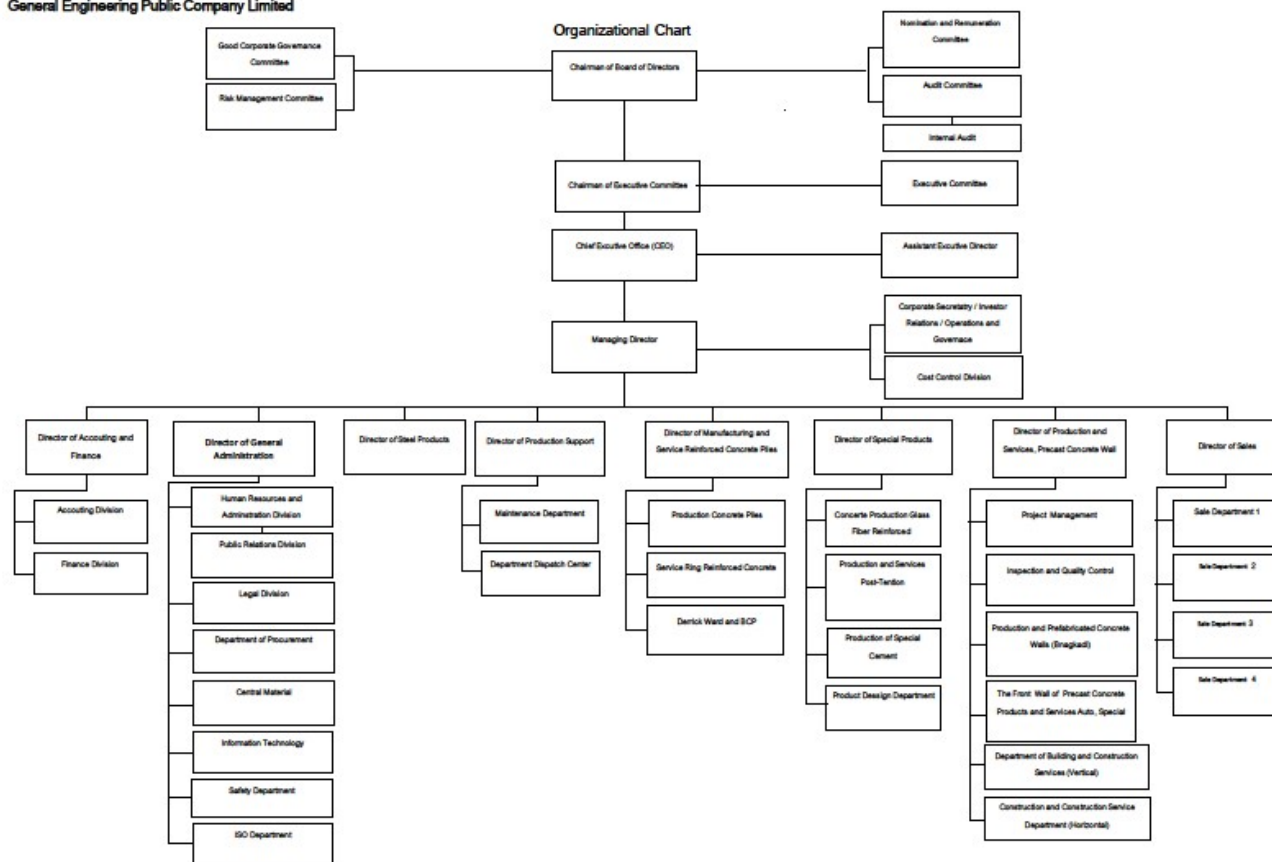
The resolution of Annual General Meeting of Shareholders No. 1/2008 held on 24 April 2008, the Meeting unanimously approved the Company changed the dividend policy to “not exceeding 60% of net profit after tax and legal reserve and the Company shall not have accumulated losses and to comply with the Company cash flow and business expansion plan in the future.” The dividend will be paid according to the number of shares at the same amount. The Company has a policy to give shareholder the right to vote one share per one vote. (Currently, the Company has only ordinary shares)

The right to receive a share of profits/ dividends has entitled equally. The Company, also, granting rights to shareholders, including the right to consider the appointment of the Board of Director, to consider and certify the Company operating results, to consider approving amendment of memorandum and articles of association of the Company, to consider approving the reduction or increase capital.

The Company takes into account the right of shareholders by taking care of the shareholder rather than the basic right under the law such as providing important information through the Company’s website, providing management discussion and analysis (MD&A) for explanation of operating results for every quarter and published in the Company’s website.

7. Management Structure

General Engineering Public Company Limited



Board of directors

Composition of the Board of Directors

The Board of Directors comprises individuals who possess all the qualifications prescribed in Section 68 of the Public Limited Companies Act B.E. 2535 and the applicable regulations announced by the Capital Market Supervisory Board. The Board of Directors is composed of individuals who, on the basis of their knowledge and experience, make valuable contributions to the planning of the company's policy.

As of December 31, 2018, the Board of Directors comprises 9 members, whose names are as follows:

1) Board of Directors

1.	Professor Dr. Borwornsak	Uwanno	Chairman of the Board of Director
2.	Mr. Sophon	Pholprasit	Vice Chairman of the Board of Director
3.	Mr. Thitipong	Tangpoonphonvivat	Director
4.	Dr. Tawat	Anantanavanich	Director
6.	Mr. Suchat	Boonbanjersri	Independent Director (resigned from the directorship of the Company on 16 January 2019)
7.	Mrs. Pannee	Jarusombat	Independent Director
8.	Mr. Vichya	Kreangam	Independent Director
9.	Mr. Vipoota	Trakulhoon	Independent Director (appointed to the directorship of the Company on 26 February 2019)
10.	Mr. Wuttichai	Sresthabutra	Director and Company Secretary

The independent directors held a meeting with the auditors, which there is no management attends the meeting, at least 1 meeting per year to freely express opinions and suggestions. The Company held a meeting on 15 January 2019.

Authorized directors

Authorized directors included Mr. Thitipong Tangpoonphonvivat, Mr. Tawat Anantanavanich and Mr. Wuttichai Sresthabutra, two-third of these directors jointly signed with the company seal affixed.

2) Audit Committee

Composition of the Audit Committee

The Audit Committee is made up of 3 independent members of the Board of Directors. All members of the Audit Committee are knowledgeable and have acceptable experience in finance and accounting. Mr. Suchat Boonbanjersri (resigned from the directorship of the Company on 16 January 2019), Chairman of the Audit Committee, has sufficient employment experience which enables his to maintain the reliability and integrity of the Company's

accounting policies, financial reporting practices and financial statements, in order to ensure compliance with applicable international auditing standards. He also oversees the design, implementation, adequacy and effectiveness of the Company's internal controls and risk management. The Audit Committee is free to perform its duties and express its opinions.

As of December 31, 2018, the Audit Committee comprises 3 members whose names are as follows:

- | | | | |
|----|-------------|-----------------|---|
| 1. | Mr. Suchat | Boonbanjerd Sri | Chairman of the Audit Committee
(resigned from the directorship of the Company on 16 January 2019) |
| 2. | Mr. Wirach | Morakotkarn | Chairman of the Audit Committee
(appointed to the chairman of the Audit Committee on 26 February 2019) |
| 3. | Mrs. Pannee | Jarusombat | Audit Committee |
| 4. | Mr. Vichya | Kreangam | Audit Committee |

Ms. Patcharaporn Phumphoung is a secretary to the Audit Committee.

3) Risk Management Committee

Composition of the Risk Oversight Committee

To ensure that the Company's operations are carried out in accordance to the Company's policies, strategies and objectives and to drive the Company's sustainable growth and effective business expansion while preparing for possible internal and external changes that may affect the Company's business, the Board of Directors sees it fit to establish a risk management committee, as of December 31, 2018, the Risk Management Committee comprises 5 members whose names are as follows:

- | | | | |
|----|---------------|-------------------|--|
| 1. | Mr. Sophon | Pholprasit | Chairman of Risk Management Committee |
| 2. | Mr. Thitipong | Tangpoonphonvivat | Risk Management Committee
(resigned from the risk management committee on 26 February 2019) |
| 3. | Dr. Tawat | Anantanavanich | Risk Management Committee |
| 4. | Mr. Chainarin | Sairungsri | Risk Management Committee |
| 5. | Mr. Vipoota | Trakulhoon | Risk Management Committee
(appointed to the risk management committee on 26 February 2019) |
| 6. | Mrs. Wisadja | Kochsena | Risk Management Committee |

Mr. Wuttichai Sresthabutra is a secretary to the Risk Management Committee. (care taking)

4) Nomination & Remuneration Committee

Composition of the Nomination & Remuneration Committee

To ensure that the Company's operations are carried out in accordance to the Company's policies, strategies and objectives and to drive the Company's sustainable growth and effective business expansion while preparing for possible internal and external changes that may affect the Company's business, the Board of Directors sees it fit to establish a Nomination & Remuneration Committee, as of December 31, 2018, the Nomination & Remuneration Committee comprises 4 members whose names are as follows:

- | | | | |
|----|---------------|-------------------|--|
| 1. | Mr. Wirach | Morakotkarn | Chairman of the Nomination & Remuneration Committee
(resigned from the chairman of the nomination and remuneration committee on 26 February 2019) |
| 2. | Mr. Vipoota | Trakulhoon | Chairman of the Nomination & Remuneration Committee
(appointed to the chairman of the nomination and remuneration committee on 26 February 2019) |
| 3. | Mr. Thitipong | Tangpoonphonvivat | Nomination & Remuneration Committee |
| 4. | Mr. Vichya | KreaNgam | Nomination & Remuneration Committee |

Mr. Wuttichai Sresthabutra is a secretary to the Nomination & Remuneration Committee.

5) Corporate Governance Committee

Composition of the Corporate Governance Committee

To ensure that the Company's operations are carried out in accordance to the Company's policies, strategies and objectives and to drive the Company's sustainable growth and effective business expansion while preparing for possible internal and external changes that may affect the Company's business, the Board of Directors sees it fit to establish Corporate Governance Committee, as of December 31, 2018, the Corporate Governance Committee comprises 4 members whose names are as follows:

- | | | | |
|----|---------------|--------------|--|
| 1. | Mr. Vichya | KreaNgam | Chairman of Corporate Governance Committee |
| 2. | Mr. Wirach | Morakotkarn | Corporate Governance Committee
(resigned from the corporate governance committee on 26 February 2019) |
| 3. | Mr. Vipoota | Trakulhoon | Corporate Governance Committee
(appointed to the corporate governance committee on 26 February 2019) |
| 3. | Mr. Wuttichai | Sresthabutra | Corporate Governance Committee |
| 4. | Mrs. Wisadja | Kochsena | Corporate Governance Committee |

Mr. Wuttichai Sresthabutra is a secretary to the Corporate Governance Committee.

6) Executive Committee and Management

The Executive Committee has 3 members and Management have 5 members as of December 31, 2018, as follows:

1.	Mr. Thitipong	Tangpoonphonvivat	Chairman of Executive Committee and Chief Executive Officer
2.	Dr. Tawat	Anantanavanich	Executive Committee and Managing Director
3.	Mr. Wuttichai	Sresthabutra	Executive Committee
4.	Mrs. Wisadja	Kochsena	Director of Accounting and Finance
5.	Mrs. Linjong	Srisongkhram	Director of Sales
6.	Mr. Surachart	Uamum	Director of Production and Services of Pre-stress Concrete
7.	Mr. Sarun	Wiangkhamma	Piles
8.	Mr. Pornchai	Nunlaong	Director of Production and Services of Precast Concrete Director of Steel Products and Production Support

Mr. Wuttichai Sresthabutra is a secretary to the Executive Committee.

The senior executives named above are in compliance with the definition of “Executives” as prescribed in the Notification of the Capital Market Supervisory Board Tor Chor 23/2551. The senior executives are authorized to carry out operations under the policies, strategies and objectives laid out by the Board of Directors. The Board of Directors has agreed to publish a handbook that describes clearly the responsibilities, authority and duties of the executives in order to ensure transparency and smooth flows of operations. All 8 executives do not possess the following prohibited characteristics:

1. Having a record of criminal offences related to asset frauds.
2. Having a record of taking actions that may be regarded as a conflict of interest with the Company the past year.

Meetings of the Board of Directors

The Board of Directors is due to hold a meeting quarterly and can hold additional extraordinary meetings as necessary. The Company has laid out a clear meeting schedule, with the Company Secretary in charge of sending out the invite to the members of the Board of Directors and preparing the documents for the meeting in advance. All members of the Board of Directors can express their opinion with the utmost freedom and are not affiliated with any particular individual or group of individuals. In 2018, The Board of Directors held totally 7 meetings; 5 scheduled meetings and 2 additional meetings. The Executive Committee held totally 11 meetings; 12 scheduled meetings and the Executive Meeting 12/2017 was cancelled due to the unavailability of the committee. The Audit Committee held totally 5 meetings; 4 scheduled meetings and 1 additional meeting. Details on the agenda had been delivered to the Board of directors in advance to consider on related matters as appropriate and the Company held the Annual General Meeting of Shareholders for the year 2018 on 24 April 2018.

In 2018, the Board of Directors meeting was scheduled (meeting schedule is subject to change) and exclude additional meeting. Schedules are as follows;

No.	The Executive Committee	The Board of Directors	The Audit Committee
1	Wednesday 31 st January 2018	Friday 19 th January 2018	Friday 19 th January 2018
2	Wednesday 28 th February 2018	Tuesday 27 th February 2018	Tuesday 27 th February 2018
3	Friday 30 th March 2018	Tuesday 15 th May 2018	Monday 14 th May 2018
4	Monday 30 th April 2018	Tuesday 14 th August 2018	Tuesday 14 th August 2018
5	Thursday 31 st May 2018	Tuesday 13 th November 2018	Tuesday 13 th November 2018
6	Friday 29 th June 2018		
7	Wednesday 8 th August 2018		
8	Friday 31 st August 2018		
9	Friday 28 th September 2018		
10	Friday 28 th October 2018		
11	Friday 30 th November 2018		
12	Wednesday 26 th December 2018		

The record of attendance of each member of the Board of Directors, the Audit Committee, the Nomination & Remuneration Committee, the Corporate Governance Committee, the Risk Management Committee and the Executive Committee at the meetings in 2018 is summarized as follows:

Board of Directors

Board of Directors	Times of the meeting
1. Prof. Dr. Borwornsak Uwanno	7/7
2. Mr. Sophon Pholprasit	6/7
3. Mr. Thitipong Tangpoonphonvivat	7/7
4. Dr. Tawat Anantanavanich	7/7
5. Mr. Wuttichai Sresthabutra	6/7
6. Mr. Suchat Boonbanjersri	6/7
7. Mr. Vichya Kreangam	7/7
8. Mrs. Pannee Jarusombat	6/7
9. Mr. Wirach Morakotkarn	7/7

Audit Committees

Audit Committee	Times of the meeting
1. Mr. Suchat Boonbanjerd Sri	5/5
2. Mrs. Pannee Jarusombat	5/5
3. Mr. Vichya Kreangam	5/5

Risk Management Committees

Risk Oversight Committee	Times of the meeting
1. Mr. Sophon Pholprasit	2/2
2. Mr. Thitipong Tangpoonphonvivat	2/2
3. Dr. Tawat Anantanavanich	2/2
4. Mr. Chainarin Sairungsri	2/2
5. Mrs. Wisadja Kochsena	2/2

Nomination & Remuneration Committees

Nominating and Remuneration Committee	Times of the meeting
1. Mr. Wirach Morakotkarn	2/2
2. Mr. Thitipong Tangpoonphonvivat	2/2
3. Dr. Vichya Kreangam	2/2

Corporate Governance Committees

	Times of the meeting
1. Dr. Vichya Kreangam	6/6
2. Mr. Wirach Morakotkarn	6/6
3. Mr. Wuttichai Sresthabutra	4/6
4. Mrs. Wisadla Kochsena	6/6

Executive Committees

Executive Committees	Times of the meeting
1. Mr. Thitipong Tangpoonphonvivat	11/11
2. Dr. Tawat Anantanavanich	10/11
3. Mr. Wuttichai Sresthabutra	8/11

Company Secretary

In the board meeting No. 6/2014 held on Mar 5, 2014, the Company appointed Mr. Wuttichai Sresthabutra as the Company's secretary who has passed the secretary training program of the Company, having the duty pursuant to the Securities and Exchange. The Company's secretary shall prepare and keep the registration of the directors, the meeting appointments, and the minutes of the meetings; prepares and keeps the annual reports, sends a copy and keeps a report on the conflict of interest, and arranges the Company's documentation. The Corporate Secretary is also in charge of adoption and application of the Company's good governance principles.

In addition, the Company also encourages the Corporate Secretary to undergo training and continued to improve her knowledge in accounting laws or performance in the capacity of Corporate Secretary. The Corporate Secretary's qualifications and experience are disclosed in the Company's annual reports.

Remuneration of Directors and Executives

The Company has set the transparent policy on remuneration that supervised by the nominating and remuneration committee of the Company. This policy has been under careful consideration and appropriate with the duties assigned, rates of remuneration, compared with other companies of the same market level.

The remuneration committee will consider and refine the offering remuneration to all committee members and present to the board of directors and shareholders to approve the offers. The payment will be in the form of monthly meeting per-diem.

Remuneration for Directors

At the Annual Meeting of Shareholders year 2018 held on April 24, 2018, had resolution to approve the remuneration for directors according to the Nominating and Remuneration Committee and the Board of Directors proposed as follows;

Directors	Annual remuneration 2017 (THB)				Annual remuneration 2018 (THB)			
	Monthly remuneration	Meeting remuneration (per time)	Bonus/ Pension	Other benefits	Monthly remuneration	Meeting remuneration (per time)	Bonus/ Pension	Other benefits
1. The Board of Directors								
■ Chairman of the Board of Directors	80,000	10,000	-None-	-None-	80,000	10,000	-None-	-None-
■ Deputy Chairman	50,000	10,000	-None-	-None-	50,000	10,000	-None-	-None-
■ Directors	20,000	10,000	-None-	-None-	20,000	10,000	-None-	-None-
2. The Audit Committees								
■ Chairman of Audit Committee	50,000	10,000	-None-	-None-	50,000	10,000	-None-	-None-
■ Audit Committee	20,000	10,000	-None-	-None-	20,000	10,000	-None-	-None-
3. The Nomination and Remuneration Committee								
■ Chairman of the Nomination and Remuneration	No	10,000	-None-	-None-	No	10,000	-None-	-None-
■ Nomination and Remuneration Committee	No	10,000	-None-	-None-	No	10,000	-None-	-None-
4. The Corporate Governance Committee								
■ Chairman of the Corporate Governance Committee	No	10,000	-None-	-None-	No	10,000	-None-	-None-
■ Corporate Governance Committee	No	10,000	-None-	-None-	No	10,000	-None-	-None-
5. The Risk Management Committee								
■ Chairman of the Risk Management Committee	No	10,000	-None-	-None-	No	10,000	-None-	-None-
■ Risk Management Committee	No	10,000	-None-	-None-	-None-	-None-	-None-	-None-

Note:

1. Monthly remuneration is paid to Directors based on the maximum monthly remuneration of one position only director executive director and a regular salary will not receive the above remuneration
2. For the Board of Directors, the meeting remuneration per time is paid to the Board of Directors who attended the meeting at the maximum rate that not exceeding nine times per year. The rate of remuneration is the same rate as the rate of the previous year as the Company considers that it is still appropriate.

Monetary Remuneration

a. The monetary remuneration, only the Board of Directors and Audit Committee of THB 3,600,000 are as follows.

Name	Position	The amount of remuneration for 2017 (Baht/Year)							Total
		Board of Directors		Audit Committee		The Good Corporate Governance Committee	The Risk Management Committee	The Nominating & Remuneration Committee	
		Remuneration	Meeting honorariums	Remuneration	Meeting honorariums				
1. Prof. Dr.Borwornsak Uwanno	Chairman of the Board of Director	960,000	70,000	-	-	-	-	-	1,030,000
2. Mr. Sophon Pholprasit	Vice Chairman of the Board of Director	600,000	60,000	-	-	-	20,000	-	680,000
3.Mr. Thitipong Tangpoonphonvivat	Chief Executive officer	-	-	-	-	-	-	-	-
4. Dr.Tawat Anantanavanich	Director and Managing Director	-	-	-	-	-	-	-	-
5. Mr. Wuttichai Sresthabutra	Director and Executive Committee/Secretary	-	-	-	-	-	-	-	-
6. Mr. Suchat Boonbanjerd Sri	Independent Director and Chairman of Audit Committee	-	60,000	600,000	50,000	-	-	-	710,000
7. Mrs. Pannee Jarusombat	Independent Director and Audit Committee	-	60,000	240,000	50,000	-	-	-	350,000
8. Dr. Vichya Kreangam	Independent Director and Audit Committee	240,000	70,000	-	50,000	60,000	-	20,000	440,000
9. Mr.Wirach Morakotkarn	Independent Director	240,000	70,000	-	-	60,000	-	20,000	390,000
Total		2,040,000	390,000	840,000	150,000	120,000	20,000	40,000	3,600,000

b. Remuneration of the Executive committee and the Executives

The Company had evaluated the performance of the executives in the form of performance indicators (Key Performance Index: KPI) submitted the plan to the Managing Director which is linked with remuneration guidelines of the Board of Directors.

Remuneration	Year 2018		Year 2017		Year 2016	
	Number	Amount (Baht)	Number	Amount (Baht)	Number	Amount (Baht)
Salary	8	19,204,522.12	9	21,059,960.60	10	20,470,321.44
Bonus and remuneration	8	-	9	-	10	159,280.15
Total	8	19,204,522.12	9	21,059,960.60	10	20,629,601.59

Note: “The executives” In this case meaning, the executives as defined in Notification of Securities and Exchange Commission Thailand

Other Remunerations for the Executive committee and the Executives

Detail	Years 2018		Year 2017		Year 2016	
	Number	Amount (Baht)	Number	Amount (Baht)	Number	Amount (Baht)
Provident Fund	8	493,839.12	9	579,054.60	10	561,673.47
Total	8	493,839.12	9	579,054.60	10	561,673.47

Personnel

Number of employees

As of December 31, 2018, the company has in total 1,167 employees, who are in the main lines of activities as follows:-

Main Lines of Activities	Number of Employees
Management office	9
Organizational Administration and Service	53
Human Resource	6
Finance and Accounting	30
Sales service and design	573
Factory	496
Total	1,167

Remuneration for company personnel or employees

In year 2017 and in year 2018 the Company and its subsidiary paid remuneration in the forms salaries, bonuses, provident fund contributions, and other momentary payments (not including remuneration for the Board of Directors and Executives) to the employees in the total amount of Baht 256,931,600.68 in year 2017 and Baht 290,054,452.70 in year 2018 respectively.

Provident Fund

The Company has arranged the provident fund under Kasikorn Munkong Provident Fund, registered in according to Provident Fund Act B.E.2530 and the Securities and Exchange Act B.E.2535 (amendments included). Fund has been under the management of Kasikorn Bank.

In addition, the Company has contributed to the provident fund for employees at 3% of the employees' salaries. For Year 2017 the Company had contributed to the fund was amounted by Baht 4,675,393.05 and Year 2018 the Company has contributed to the fund was amounted by Baht 5,024,841.13.

The labor dispute in the past 3 years

-None-

Policy on Personnel Development

The Company has paid attention to personnel significance at all levels. In particular, the Company supports the development of each employee for every position. It emphasizes on professional development, opening opportunities for the employees to perform their potentials. Therefore, the Company and its subsidiaries have concrete policies to educate and elevate knowledge and expertise of the employees at all levels in continuation in order to achieve the business goal as well as promote the employees to meet their achievement in the career paths. The Company has planned to conduct annual training program. In 2018, the Company has budget for employees' training for Baht 1,388,434.17. The nominating and recruitment of the employees of the Company and its subsidiaries have been transparent and fair under Merit System. The qualification control of the employees is based on the expertise, knowledge, skills and experience. All need to be indicated clearly. And the candidate needs to pass the written exam and interview by the supervisor in order to get the most proper employee for the position. For new positions opened, the company will choose existing employees as priority if the employees have met qualification. This would be incentive and motivation for employees to keep improving and elevate their performance as well as promote their advance in career path. If no internal candidate, the Company will consider outside applicants.

New employees will have to attend the orientation to learn and know the process and understand all components of the Company. This would help the employees work effectively to fit the goals of the company. In addition, the Company supports the advancement in career path of the employees, maintaining potential and excellent employees to stay with the Company. Its policy strongly supports trainings and profession development internally and externally if the training programs will help the employees in their careers and duties with all aspects of appropriateness,

for example, the training in engineering and maintenance, the training in management, safety training, basic accounting and auditing training, fundamental information management, construction training and intellectual property right in business training.

The Company had provided internal training courses as follows;

- 1) Cracking the Sakes Management Code
- 2) Maintenance Machine (Crane and Batching Plant)
- 3) ADAPT
- 4) Electrical Installation standard
- 5) Customize Share Point Online Culture
- 6) Continuous Improvement Culture
- 7) Safety Officer to Supervisor Level
- 8) Safety Officer to Management Level
- 9) Job Description

The Company had provided external training courses as follows;

- 1) Continuous Improvement Culture
- 2) ISO 9001:2015
- 3) MS Project
- 4) Creativity @ Work
- 5) Professional Excel Advance Essential
- 6) Sales Force Program
- 7) Product knowledge
- 8) Professional Project Management by BIM
- 9) Hydraulic Basic System of Crane and Heavy Equipment
- 10) Safety Instructors for general employee and new employee follow Safety Act 2011 for
- 11) Thai Construction dialogue with Thailand 4.0
- 12) BNCP-Board Normination and Compensation program
- 13) Personnel development courses for crane inspectors
- 14) Value measurement according to TFRS guidelines
- 15) How to develop a Risk Management Plan
- 16) Bargaining for construction / engineer work
- 17) Material Binding Techniques for Transportation 2nd class
- 18) Calculation of the design and construction of a precast concrete building
- 19) Exclusive Graphic Academy
- 20) PR

- 21) Board Matters and Trend (BMT)
- 22) Smart Construction Management
- 23) A review of crane work
- 24) Gas station operator
- 25) Scaffolding and scaffolding installation techniques
- 26) Revit Architecture
- 27) Crane operator, signal provider to fix the crane operator, material adhesion and the operator of the crane
- 28) Fire extinguishing and fire evacuation

8. Details of Company Committee, Management, Regulators, and Secretaries

List of name, qualification and experiences of the Company's Committee, Management, Regulators, and Secretaries as December 31, 2018

No.	Firstname-Lastname/Position/ Date of Appointment	Age (Yr.)	Education and Training History	Percentage in Shareholding (%)	Family Relationship with Board of Directors or Executives	Working Experience		
						Duration	Position	Department/Company
1.	Prof. Dr. Borwornsak Uwanno ● Chairman of the Board of Directors / Independent Director 25 April 2014	65	Education History <ul style="list-style-type: none"> ■ Ph.D. Public Law (High Honor) (University of Paris 10) ■ Master of Advanced Public Law (Honor) (University of Paris 10) ■ Master of Administrative Law (University of Paris 2) ■ Thai Barrister at Law (Institute of Legal Education of the Thai Bar) ■ Bachelor of Law (First Class Honor) (Chulalongkorn University) Training Experience <ul style="list-style-type: none"> ■ Director Accreditation Program (DAP) from Thai Institute of Directors (IOD) ■ Executive Program of High Level of Judicial process (Class 15th) from Courts of Justice ■ Top Executive Program (from Courts of Justice) Class 8th Capital Market Academy (CMA) ■ Thailand National Defense College, Class of 4111 	None	None	2014 – Present	Chairman of the Board of Directors	General Engineering Public Company Limited
						2014 – Present	First Vice - Chairman of the National Reform Council	-
						2014 – Present	Chairman of the Constitution Drafting Committee	-
						2014 – Present	Fellow and Deputy President of the Royal Institute	-
						2014 – Present	Member of the Council of State	-
						2007 – Present	Chairman of the Board of Directors	Eternal Energy Public Company limited
						2007 – Present	Independent Director	Glow Energy Public Company Limited
						2002 – Present	Professor Emeritus	Faculty of Law, Chulalongkorn University
						2006	Secretary General	King Prajadhipok's Institute
						2002	Professor Emeritus	Faculty of Law, Chulalongkorn University
						2006	Member of the Senate	-
						2003	Member of the National Legislative Assembly	-
						1996	Member of the Constitution Drafting Assembly	-
						1989	Deputy Secretary General to the Prime Minister (on Political Affairs)	-
						1988	Advisor to the Prime Minister	

No.	Firstname-Lastname/Position/ Date of Appointment	Age (Yr.)	Education and Training History	Percentage in Shareholding (%)	Family Relationship with Board of Directors or Executives	Working Experience		
						Duration	Position	Department/Company
2.	Mr.Sophon Pholprasit Vice Chairman of the Board// Independent Director/ Chairman of Risk Management Committee 5 March 2014	67	<u>Education History</u> ■ Advanced Certificate of Public Management and Public Law (Class 6 th) King Prajadhipok's Institute ■ MBA in General Management, Ramkhamhaeng University ■ B.Sc. Civil Sanitary and Environment, Mapua Institute of Technology, Phillipines <u>Training Experience</u> -None -	None	None	2017-Present	Director of University Council Members	Mahanakorn University of Technology
						2014-Present	Vice Chairman of the Board	General Engineering Public Company Limited
						2014-Present	Director	Mill con Steel (Public) Co. Ltd.
						2013	Director General	Department of Industry Promotion, Ministry of Industry, Thailand
						2012	Principal	The Office of Industrial Economics, Ministry of Industry, Thailand
						2010	Inspector	Office of the Permanent Secretary for Industry, Ministry of Industry
						2008	Deputy Director General	Department of industrial works, Ministry of Industry
3.	Mr.Thitipong Tangpoonphonvivat Director /Chief Executive Office / Member of Nomination & Remuneration Committee 4 February 2014	40	<u>Education History</u> ■ M.Sc.in Engineering of Business Management, University of Warwick University, UK ■ B.S. In Business Administrative, Walter A. Hass School of Business, University of California at Berkeley <u>Training Experience</u> -None-	12.32%, holding 665,205,500 shares	None	2017-Present	Director	General Nippon Concrete Industries Co., Ltd.
						2015-Present	Director	Seven Wire Co. Ltd.
						2015-Present	Director	General Engineering Mauritius Limited
						2014-Present	Director /Chief Executive Office / Member of Nomination & Remuneration Committee	General Engineering Public Company Limited
						2006-Present	Director	Siam Rubber Industry Co.,Ltd.
						2015-2016	Director	World Wire Processing Co., Ltd.
						2011-2013	President	Millcon Steel Industries Plc.
						2012-2013	Director	Million Miles Co.,Ltd
						2009 - 2013	President	Millcon Burapa Co.,Ltd

No.	Firstname-Lastname/Position/ Date of Appointment	Age (Yr.)	Education and Training History	Percentage in Shareholding (%)	Family Relationship with Board of Directors or Executives	Working Experience		
						Duration	Position	Department/Company
4.	Dr.Tawat Anantanavanich Director and Managing Director/ Member of Risk Management Committee 26 March 2013	40	<u>Education History</u> <ul style="list-style-type: none"> Ph.D. in Civil Engineering, University of California, Berkeley, CA M.Eng in Civil Engineering, University of California, Berkeley, CA B.Eng in Civil Engineering, Chulalongkorn University <u>Training Experience</u> <ul style="list-style-type: none"> Director Accreditation Program (DAP) from Thai Institute of Directors (IOD) Class of 105/2013 Director Certification Program (DCP) Class of 193/2014 RCL 3/2016 	None	None	2017-Present	Director	General Nippon Concrete Industries Co., Ltd.
						2015-Present	Director	Seven Wire Co., Ltd.
						2015-Present	Director	General Engineering Mauritius Limited
						2013-Present	Director and Managing Director/ Member of Risk Management Committee	General Engineering Public Company Limited
						2013-Present	Director	McTric Public Company Limited
						2014-2015	Director	Millcon Engineering Limited
						2014-2015	Director	Wisdom Tree Investment (S) PTE.Limited
						2013-2015	Director	Suntech Metal Co.Ltd.
						2013-2015	Director	World Wire Processing Co. Ltd.
						2009 - 2013	Project Director	U and O Corporation, Ltd., Bangkok
						2007 – 2009	Senior Engineer	AMEC Geomatrix Consultants, Inc.,
5.	Mr.Wuttichai Sresthabutra Director/Executive Director/ Member of Corporate Governance Committee/ Company Secretary 12 May 2014	47	<u>Education History</u> <ul style="list-style-type: none"> M.A. in International Economics and Finance, Chulalongkorn University B.A. in Business Administration, National University, California, U.S.A <u>Training Experience</u> <ul style="list-style-type: none"> Law and Best Practices for Company Secretary Program, following new securities law, the Stock Exchange of Thailand Direct accreditation Program (DAP) Class 131/2016 	None	None	2017-Present	Director	General Nippon Concrete Industries Co., Ltd.
						2015-Present	Director	Seven Wire Co. Ltd.
						2015-Present	Director	Wisdom Tree Investment (S) PTE.Limited
						2015-Present	Director	General Engineering Mauritius Limited
						2015-Present	Director	Millcon Engineering Limited
						2014-Present	Director/Executive Director/ Member of Good Corporate Governance Committee Company secretary	General Engineering Public Company Limited

No.	Firstname-Lastname/Position/ Date of Appointment	Age (Yr.)	Education and Training History	Percentage in Shareholding (%)	Family Relationship with Board of Directors or Executives	Working Experience		
						Duration	Position	Department/Company
						2014-Present	Director	Geoform Co. Ltd.
						2013	Executive Director of Investor Relation and Coordination	G Steel (Public) Co. Ltd.
						2011-2013	President of Administrative Office	G Steel (Public) Co. Ltd.
						2010-2013	Executive Director in Accounting & Finance	G Steel (Public) Co. Ltd.
						2008-2013	Company Secretary	G Steel (Public) Co. Ltd.
						2005-2007	Business Development Manager	G Steel (Public) Co. Ltd.
						2004-2005	General Manager	Geoform Co. Ltd.
						1999-2004	Assistant of Managing Director	Geoform Co. Ltd.
6.	Mr. Suchat Boonbanjerd Sri Independent Director and Chairman of Auditing Committee 2 October 2014 (resigned from the directorship of the Company on 16 January 2019)	59	Education History <ul style="list-style-type: none"> ■ MBA in Finance (Kasikorn Bank's Scholarship) Wharton School, University of Pennsylvania, USA ■ B.A. in Economics, Major in Quantitative Analysis in Economic (Honor Class), Chulalongkorn University Training Experience Director Certification Program No. 19/2002 Audit Committee Program No. 13/2006	None	None	2016-Present	Director	PYLON Public Company Limited
						2014-Present	Independent Director and Chairman of Auditing Committee	General Engineering Public Company Limited
						2014-Present	Independent President and Auditing Director	Salee Printing Public Company Limited
						2014-Present	Chairman of the Board of Committee	Dark Horse Development Co. Ltd.
						2011 - Present	Chairman of the Board of Directors	EDP Foundation
						2005 - Present	Director	Steeler Steel Works Co. Ltd.
						2005 - Present	Director	Steel Plus Fabrication Co. Ltd.
						2003 - Present	Director	Chiang Dao Orchard Co. Ltd.
						2001 - Present	Chairman of the Board of Directors	Practicum Engineering Co. Ltd.
						2000 - Present	Chairman of the Board of Directors	Knight Club Capital Asset management Co.Ltd.
						2012-2016	Subcommittee in Equity Shares Consideration and Management of Issuing Companies	Securities and Exchange Commission, Thailand (SEC)

No.	Firstname-Lastname/Position/ Date of Appointment	Age (Yr.)	Education and Training History	Percentage in Shareholding (%)	Family Relationship with Board of Directors or Executives	Working Experience		
						Duration	Position	Department/Company
						2011	Chairman of the Board of Directors	T.O.T. Public Company Limited
7.	Mrs.Panee Jarusombat Independent Director and Audit Committee 2 June 2014	62	<u>Education History</u> <ul style="list-style-type: none"> Master in Political Science, Politics and Government, Sukhothai Thammathirat Open University Bachelor in Communication Art, Major in Mass Communication (2nd Class Honor), Bangkok University <u>Training Experience</u> -None-	None	None	Present	Vice President	Thai-Chinese Culture & Relationship Council
						Present	Committee of University Council	King Mongkut's University of Technology North Bangkok
						2014-Present	Independent Director and Auditing Director	General Engineering Public Company Limited.
						2014-2015	Member of the National Reform Council	National Reform Council
						2009	Secretary to the Minister of Industry	Ministry of Industry
						2008	Advisor to the Minister of Industry	Ministry of Industry
						2008	Subcommittee of Investment Promotion, BOI	BOI
						2008	Director of SME Promotion	Office of Small and Medium Enterprises Promotion
						-	Deputy Secretary General	Thai-Chinese Economics & Relationship Association
						-	Member of Economic Advisory Council in Academic Department	-
						2007	Deputy Secretary General to the Prime Minister	-
						2006	Senator of Chachoengsao Province	-
						2005	Executive Director	Toyota Pavillion Co. Ltd. (Rayong)
						-	Executive Director	Offer Service Co. Ltd.

No.	Firstname-Lastname/Position/ Date of Appointment	Age (Yr.)	Education and Training History	Percentage in Shareholding (%)	Family Relationship with Board of Directors or Executives	Working Experience		
						Duration	Position	Department/Company
8.	Dr.Vichya Kreangam Independent Director Audit Committee / Remuneration and Nomination Committee / Chairman of Corporate Governance Committee 2 October 2014	37	<u>Education</u> <ul style="list-style-type: none"> ■ Doctor of Juridical Science (J.S.D.), University of California, Berkeley ■ Master of Laws (LL.M), University of California, Berkeley ■ Bachelor of Laws (Honors), Chulalongkorn University <u>Professional Accreditations</u> <ul style="list-style-type: none"> ■ Thai Barrister-at-Law ■ Diploma of Advocacy and the Lawyer License ■ Certificate of Senior Executives on Justice Administration Class 16, Office of the Judicial Training Institute ■ Certificate of Administrative Justice for Senior Executives Class 6, Office of the Administrative Courts ■ Certificate of New Era Leadership in the Democratic Systems Class 1, King Prajadhipok's Institute ■ Certification of Director Accreditation Program (DAP) Class 116/2015 ■ Certification of Corporate Governance for Executives (CGE) Class 6/ 2016 ■ Certification of Advanced Audit Committee Program (AACP) Class 22/2016 	None	None	2017-Present	Committee and Chairman of the Public Relation and Public Hearing Committee	Law Reform Committee
						2017-Present	Advisor	Sub-committee on People and Government Engagement for Law Reform Action Plan
						2017-Present	Board of Director	General Nippon Concrete Industries Company Limited
						2016-Present	Independent Director, Audit Committee, Remuneration and Corporate Governance Committee	Namyong Terminal Public Company Limited
						2014-Present	Independent Director, Remuneration Committee	Sikarin Public Company Limited
						2014-Present	Independent Director, Audit Committee, Remuneration and Nomination Committee, Chairman of Corporate Governance Committee	General Engineering Public Company Limited
						2013-Present	Executive Director, Chairman of Corporate Social Responsibility Committee and Chairman of Public Relation Committee	The Badminton Association of Thailand under the Royal Patronage of His Majesty the King
						2010-Present	Business Development Executive	True Corporation Public Company Limited
						2010-Present	Visiting Lecturer	Faculty of Law, Assumption University

No.	Firstname-Lastname/Position/ Date of Appointment	Age (Yr.)	Education and Training History	Percentage in Shareholding (%)	Family Relationship with Board of Directors or Executives	Working Experience		
						Duration	Position	Department/Company
			<ul style="list-style-type: none"> ■ Certification of Corporate Governance for Capital Market Intermediaries (CGI) Class 8/2015 			2010-Present	Visiting Lecturer	Faculty of Law, Khon Kaen University
						2016-2017	Academic Advisor to the Committee	Committee on Sports, Arts, Cultures, Religion, Morality and Ethics under the National Reform Steering Assembly
						2015-2017	Board of Director	Chulalongkorn Law School Alumni Association
						2016-2017	Advisor to the Sub-committee	Sub-committee on Quick Action (Quick-win) Reform under the National Reform Steering Assembly
						2014-2017	Independent Director, Nomination and Compensation Committee, Risk Management Committee	AEC Securities Public Company Limited
						2014-2016	Chairman of the Board	Youth Prosperity Training Program under the Court of Justice
						2013-2014	Sub-committee	Sub-committee on ICT and Public Media under the Senate
						2013-2014	Advisor to the Sub-committee	Sub-committee on Research for Regulation, Order and Laws Relating to ICT and Telecommunications under the House of Representatives
						2010-2014	Visiting Lecturer	Faculty of Law, Bangkok University
						2010-2014	Visiting Lecturer	Faculty of Law, Surattthani Rajabhat University
						2006-2010	Associate Lawyer	White and Case (Thailand) Company Limited

No.	Firstname-Lastname/Position/ Date of Appointment	Age (Yr.)	Education and Training History	Percentage in Shareholding (%)	Family Relationship with Board of Directors or Executives	Working Experience		
						Duration	Position	Department/Company
9.	Mr.Wirach Morakotkarn Independent Director/ Chairman of the Audit Committee (appointed to the Chairman of the Audit Committee on 26 February 2019) 16 November 2016	51	<u>Education History</u> ▪ Master of Business Administration in Management Science, Virginia Polytechnic Institute and State University ▪ B.Sc. Statistics, Chulalongkorn University <u>Training Experience</u> ▪ Advanced Audit Committee Program (AACP) ▪ Director Certification Program (DCP)	None	None	2016-Present	Assistant to CEO Investment Banking, Large-size Business	CIMB Thai Bank Public Company Limited
						Present	Independent Director/ Chairman of Audit Committee	General Engineering Public Company Limited
						2015-Present	Director	Tonraiko Co.,Ltd.
						2014-Present	President of Auditing Committee	Aksorn Education Public Company Limited
						2009 – 2015	Acting President of the Executive Office	Krungthai Advisory Co. Ltd.
10.	Mr.Vipoota Trakulhoon Independent Director/ Chairman of Nomination & Remuneration Committee/ Corporate Governance Committee/ Risk Management Committee (appoint to the directorship of the Company on 26 February 2019) 26 February 2019	52	<u>Education History</u> ▪ Master of Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University ▪ Bachelor of Business Administration in faculty of banking and finance, Chulalongkorn University <u>Training Experience</u> ▪ Director Accreditation Program from Thai Institute of Directors (IOD) Class 117/2015	None	None	29 February 2019 - Present	Independent Director/ Member of Good Corporate Governance Committee/ Chairman of Nominating & Remuneration Committee / Member of Risk Management Committee	General Engineering Public Company Limited
						2014 – Present	Executive Committee	Millcon Steel Industries Plc.
						2015 – Present	Independent Director / Audit Committee	Business Alignment Plc.
						2014 – Present	Director	Creative Power Co., Ltd.
						2011-2013	Senior Executive Vice Present – Managing Director Corporate Banking	Krungthai bank Plc.

No.	Firstname-Lastname/Position/ Date of Appointment	Age (Yr.)	Education and Training History	Percentage in Shareholding (%)	Family Relationship with Board of Directors or Executives	Working Experience		
						Duration	Position	Department/Company
11.	Mr.Surachart Uamum Director of Production and Service of Pre-stressed Concrete Pile	54	<u>Education History</u> ■ Bachelor of Engineering, Songkhla Nakarin University <u>Training Experience</u> ■ Executive Management Training in KAIZEN Model	None	None	2015-Present	Director of Production and Service of Pre-stressed Concrete Pile	General Engineering Public Company Limited
						2014-2015	Assisting Director of Production and Service of Pre-stressed Concrete Pile	General Engineering Public Company Limited
						1988-2005	Field Engineer – Manager of the Factory of Pre-stressed Concrete Pile Production	General Engineering Public Company Limited
12.	Mrs.Linjong Srisongkhram / Director of Sale	61	<u>Education History</u> ■ Bachelor of fine and applied art, Ramkhamhang University <u>Training Experience</u> ■ Development of Executives Program ■ (Mini MBA) Class 64, Faculty of Commerce and Accountancy, Thammasat University	None	None	2008 – Present	Director of Sale	General Engineering Public Company Limited
						1991– 1998	Director of Sale	BLM group Co., Ltd.
13.	Mr.Sarun Wiangkhamma / Director of Production and Service of Precast Concrete	55	<u>Education History</u> ■ B.B.A. in Construction Management, Sukhothai Thammathirat University ■ M.SC. in Civil and Structural Engineering, Universiti Kebangsaan Malaysia. ■ B.Eng. in Civil Engineering, Rajchamangkala Institute of Technology, Thevaves Campus , Bangkok. <u>Training History</u> ■ Inspection & Construction Supervision of Horizontal Construction, Class 15 ■ Strategies for Managing Generation Y, Pruksa	None	None	Present	Director of Production and Service of Precast Concrete	General Engineering Public Company Limited
						2011-2015	Assistant Vice President	Pruksa Real Estate Public Company Limited
						2008 -2011	Assistant Vice President	General Engineering Public Company Limited

No.	Firstname-Lastname/Position/ Date of Appointment	Age (Yr.)	Education and Training History	Percentage in Shareholding (%)	Family Relationship with Board of Directors or Executives	Working Experience		
						Duration	Position	Department/Company
			Training School,IT Square,Laksi,Bangkok. ■ Finance for Non Finance. Pruksa Training School,IT Square,Laksi,Bangkok.					
15.	Mr.Pornchai Nunlaong Director of Iron Products and Acting Director of Production Support	56	<u>Education History</u> ■ B.Eng in Agricultural Engineering, King Mongkut's Institute of Technology Ladkrabang <u>Training Experience</u> ■ Import-Export Process and Customs Training	None	None	2015- Present	Director of Steel Production	General Engineering Public Company Limited
						2015- Present	Acting Director of Production Support	General Engineering Public Company Limited
						1996-2013	Head of Maintenance Department Head of Engineering Department Head of Steel Forming Department	Millcon Steel Public Company Limited
						1994-1996	Director of Production	Rayong Wire Industry Public Company Limited
						1988-1994	Engineer	Eastern Wire Public Company Limited
16.	Mrs. Wisadja Kochsena Director of Accounting & Finance effective since on 15 August 2016	48	<u>Education History</u> ■ Master of Accounting , Ramkhamhang	0.00% Holding 334 shares	None	2016-Present	Director of Accounting & Finance	General Engineering Public Company Limited
						2011-2016	Accounting & Finance Consulting	General Engineering Public Company Limited
						1993-2008	Accounting & Finance Manager	P plus P Public Company Limited

Information of in-charge positions of directors, executive directors of the Company, its subsidiaries, its associated and related companies as of 31 December 2017

No.	Name	GEL	Subsidiary			Associated Companies		Related Companies
			Seven Wire	GEM	GENCI	MCTRIC	WT	MILL
1.	Mr. Thitipong Tangpoonphonvivat	/, X, //	/	/	/	-	-	-
2.	Dr. Tawat Anantanavanich	/, //	/	/	/	/	-	-
3.	Mr. Sophon Pholprasit	/	-	-	-	-	-	/
4.	Mr. Wuttichai Sresthabutra	/, //	/	/	/	/	/	-
5.	Dr. Vichya Kreangam	/	-	-	-	-	-	-

Note: / = Director X = Chairman of the Board of Directors // = Executive Director

GEL General Engineering Public Company Limited

GEM General Mauritius Limited

Seven Wire Seven Wire Company Limited

MCTRIC Mctric Public Company Limited Co. Ltd.

WT Wisdom Tree Investment (S) PTE. Limited

MILL Millcon Steel Public Company Limited

GENCI General Nippon Concrete Industries Limited

9. Corporate Governance

9.1. Corporate Governance Policy

The Company has a written Corporate Governance Policy and has been approved during the Board of Directors Meeting 7/2015 held on 15 August 2015. A review was made on the policy through to rules and regulations the Company has to comply with according to the Corporate Governance Code for Listed Companies 2017 (CG Code) issued by the Securities and Exchange Commission.

During the Board of Directors Meeting 8/2017 held on 14 November, 2017, the board has acknowledged the Good Corporate Governance Report for Listed Companies 2017 (CG Code) 8 new codes according to the Corporate Governance Code for Listed Companies 2017 (CG Code) issued by the Securities and Exchange Commission. The Board of Directors has great understanding and concerns about the governing body and the compliance of the CG Code for sustainable growth. Moreover, the Company has assessed according to the CG Code in overall by considering from the assessment result where the Good Corporate Governance Committee was assigned to assess and clarify at the first stage.

9.2. The committee

The structure of company consists of 6 the committees such as the Board of Directors, the Audit Committee, Nomination & Remuneration Committee, Corporate Governance Committee, Risk Management Committee and the Executive Committee

1) Board of Directors

As of December 31, 2018, the Board of Directors comprises 9 members, whose names are as follows:

1.	Professor Dr. Borwornsak	Uwanno	Chairman of the Board of Director
2.	Mr. Sophon	Pholprasit	Vice Chairman of the Board of Director
3.	Mr. Thitipong	Tangpoonphonvivat	Director
4.	Dr. Tawat	Anantanavanich	Director
5.	Mr. Wuttichai	Sresthabutra	Director
6.	Mr. Suchat	Boonbanjersri	Independent Director (resigned from the directorship of the Company on 16 January 2019)
7.	Mrs.Panee	Jarusombat	Independent Director
8.	Mr. Vichya	Kreangam	Independent Director
9.	Mr. Wirach	Morakotkarn	Independent Director
10.	Mr. Vipoota	Trakulhoon	Independent Director (appointed to the directorship of the Company on 26 February 2019)

Term and retirement from the Board of Directors

Each director holds office for a term of 3 years as stated in the Company's Articles of Association and the director who retires from office upon expiration of term may be re-elected to hold office for another term. At every annual general meeting of shareholders, one third of the total number of directors shall retire from office. If the number is not a multiple of three, the number of directors closest to one third shall retire from office. The directors retiring from their office in the first and the second years after registration of the Company shall be made by drawing lots. In subsequent years, the directors who have held office longest shall retire. Apart from retirement upon expiration of the term of office, the directors shall vacate office upon:

- 1) Death
- 2) Resignation
- 3) Lack of qualifications or possess disqualifications as director under the Law on Public Company Limited Act, or having characteristics indicating a lack of appropriateness in respect of trustworthiness in managing business whose shares are held by public shareholders as specified in Section 89/3 of the Securities and Exchange Act (No. 4), B.E. 2551
- 4) Retirement by a resolution of the shareholders' meeting (by voting of not less than three-fourths (3/4) of the number of the shareholders present and entitled to vote and having shares in aggregate not less than one-half of the number of shares held by the shareholders present and entitled to vote)
- 5) Retirement by a court order
- 6) Any director wishing to resign from his office shall submit his resignation letter to the Chairman of the Board of Directors.

In case a directorship becomes vacant other than on retirement upon expiration of the term of office, the Board of Directors shall appoint a person who has qualifications and who is not disqualified under the relevant laws at the subsequent meeting of the Board of Directors. This is except when the remaining term of the director is less than two months, the replacement director shall hold office only for the remaining term of office of such director he replaces.

Authorities, duties and responsibilities of the Chairman of the Board

- 1) Summon the meetings of the Board of Directors and supervise the delivery of meeting notices and related documents so as to ensure that the Board of Directors acquire adequate and timely information;
- 2) Preside over the Board of Directors meeting;
- 3) Promote CG standards of the Board of Directors;
- 4) Preside over the Shareholders meeting and conduct the meeting in compliance with the Company Articles of Association and follow the sequence of the agenda;
- 5) Supervise efficient communications between the directors and shareholders;
- 6) Perform the duty specified by law as the duty to be performed by the Chairman.

Scope of Duties and Responsibilities of the Board of Directors

1) The Board of Directors shall manage and carry on the businesses of the Company in compliance with the laws, objects, and Articles of Association of the Company, including the resolutions of shareholders' meetings, with responsibility, honesty, care and protection of the interests of the Company. The directors shall also supervise the business operations, following the ethics, code of conduct and practices on anti-corruption.

2) The Board of Directors shall have authority to nominate a person, who possesses the qualifications and dispossesses the disqualification as stipulated in the Public Company Limited Act, B.E. 2535, laws on securities and exchange, notifications of the Capital Market Supervisory Board, including rules and/or regulations regarding the stock exchange, as a director to the shareholders' meeting for approval.

3) In the case of a vacancy of directorship for reason other than expiration of the term of office, the Board of Directors shall have authority to appoint a replacement director. Also, the Board of Directors shall have authority to appoint Audit Committee, Executive Committee, Nomination and Remuneration Committee, Risk Oversight Committee, Good Corporate Governance Committee, etc.; to determine the vision, mission, targets, directions, policies, and charter; and to oversee the administration and management of executives or any assigned person to comply with the policies set by the Board of Directors. The policies shall be reviewed every 5 years.

4) The Board of Directors shall review, examine, and approve policies, strategic directions, business plans, and large-scale investment projects of the Company as proposed by the management team, as well as supervise management in subsidiaries and/or affiliated companies.

5) The Board of Directors shall continually monitor the operating performance results to be in accordance with the work plans and budget.

6) The Board of Directors shall consider and approve investment for business expansion, joint-investment with entrepreneurs in other business sectors, or investment in other companies or business activities.

7) The Board of Directors shall consider and approve appointment of the Chief Executive Officer; regularly evaluate the management's performance; and oversee payment of suitable remuneration to the top management.

8) The Board of Directors shall ensure that the management provides the reliable accounting system, financial reporting, and auditing; and that internal control system, internal audit system, and risk management system are suitably and sufficiently in place.

9) The Board of Directors shall establish the principles on general commercial terms for any transaction between the Company & its subsidiary and director, executive, or related person. "Such transaction has the same commercial terms as those an ordinary person would agree with any counterparty under the similar circumstances, on the basis of commercial negotiation and without any influence resulted from the status of the director, executive or related person."

10) The Board of Directors shall designate or change the names of the persons authorized to sign on behalf of the Company, including the regulations of the Company.

11) The Board of Directors shall consider and approve the Company to pay interim dividend to shareholders from time to time as the Board of Directors thinks fit under the provisions of law; as well as consider payment of annual dividend and further propose to the shareholders' meeting for approval.

12) The Board of Directors shall hold the annual general meeting of shareholders within four months from the date ending the account period of the Company. The extraordinary general meeting of shareholders may be held when it is necessary.

13) The overall performance of the Board of Directors shall be evaluated annually and used as the basis for review of the Board of Directors' performance of duties.

14) The Board of Directors shall consider and approve other matters which are important and related to the Company, or deemed appropriate for the benefits of the Company. This is except for the following matters which shall be preceded only upon approval of the shareholders' meeting first. As for the matter that any director or any person assigned by him or any person who may pose conflict of interest (as defined by a notifications of the Office of the Securities and Exchange Commission and/or the Stock Exchange of Thailand) has interests in or conflict of interest with the Company and/or its subsidiary and/or related company, such director or the person assigned by him shall not have authority to approve such matters.

- a. Any matters which require the resolutions of the shareholders' meeting as stipulated by laws
- b. Any matters that a director has interest in and require approval of the shareholders' meeting as stipulated by laws or the Stock Exchange of Thailand's regulations

The following matters shall require approval of the Board of Directors' meeting with a majority vote of the total number of directors present at the meeting, and also approval of the shareholders' meeting by votes no less than three-fourths of the total votes of the shareholders who attend the meeting and have the right to vote.

- a. the sale or transfer of business of the Company, in whole or in essential part
- b. the purchase or acceptance of transfer of business of other companies or private companies by the Company
- c. entering into, amending, or terminating a lease of business of the Company in whole or in essential part; entrusting other person with the management of the Company; or amalgamating business with other persons with the objective to share profit and loss
- d. amendment of the Memorandum of Association or the Articles of Association
- e. increase and reduction of capital, and issuance of debentures
- f. amalgamation or dissolution

The Board of Directors is responsible to specify the Company vision and mission to ensure that the management and employee.

The Company has monitored the implementation of the business's strategy and the Board of directors is scheduled to report the performance of the management and operating result on a quarterly basis. Moreover, the annual report is also scheduled to highlight the financial status in terms of goals and plans to follow the laid out strategy.

The Board of Directors' Meeting

1) The meeting of the Board of Directors shall be organized every quarter or at least 4 times a year. The meeting schedule of the whole year shall be arranged in advance. A special meeting may be summoned as necessary. (Detail of

the additional meetings for the year 2018, specified in the page 30) In case of no meeting, the Company should deliver to the Board of Directors the operating performance result report in the month the meeting is not held in order to ensure the Board of Directors shall be able to continually supervise and oversee the operations of the management in time.

2) The Chairman and the Chief Executive of the Company shall jointly consider and approve the meeting agenda.

3) The Company Secretary shall deliver meeting notice together with meeting agenda, and supplementary documentation for the meeting to the directors not less than 7 working days in advance of the date of meeting in order for the directors to have enough time to study the information. This is except for the case of necessity or urgency, the notice of meeting may be served by other means and earlier date may be scheduled for the meeting.

4) The Chairman of the Company shall chair the meeting and arrange time for each agenda item which is enough for the directors to freely discuss and express their opinions in relation to the main issues, taking into consideration the benefits of the shareholders and related persons in a fair manner.

5) During the meeting, the directors shall not be present in the meeting during consideration of the matter they have interests in.

6) A resolution of the meeting shall be made by a majority vote. If such resolution is objected by any director, his objection shall be recorded in the minutes of meeting.

7) In consideration of any matter, the directors shall have the right to make a request to see or inspect the documents related to such matter, and to request related executives to attend the meeting to give explanations about the matter.

8) The Board of Directors shall set as the policy allowing non-management directors to hold meetings, in the absence of the management, to discuss the management-related problems which are in the spotlight. The results of the meetings shall be reported to the Managing Director.

9) The Company Secretary has the duties to record and prepare the minutes of the Board of Directors' meeting within 14 days; keep the minutes of the meetings and supplementary documents used during the meeting; provide support and follow up to facilitate the Board of Directors to perform the duties in compliance with laws, regulations, and resolutions of the shareholders' meetings; and coordinate with related parties.

Articles of Association relating to the Directors are as follows.

The Company's Board of Directors at least five directors and not less than half of the total membership must be resident in the Kingdom. And directors must be qualified by the law. At the meeting, shareholders elected the Board under the rules and procedures below.

1) Each shareholder has one vote for one share, one vote.

2) Each shareholder must use his votes under (1) to elect one or more directors. But voters are split among the candidates is not much.

3) The persons receiving the highest votes in descending order. Elected as directors of the board are filled. A casting vote in those cases in which the person elected in descending order have equal votes exceeds the number of directors to be elected or elected at that meeting that the chairman has the final vote.

Authorized directors

Authorized directors included Mr. Thitipong Tangpoonphonvivat, Mr. Tawat Anantanavanich and Mr. Wuttichai Sresthabutra, two-third of these directors jointly signed with the company seal affixed.

Succession planning management

Board of Directors recognizes the importance of the management of the Company efficiency and effectiveness as well as the operation continuously. This will lead to the growth and advancement of corporate sustainability. So the Company began planning successors for the first time and review and updates the plan every year to reflect the reorganization of the Company. The succession plan is established procedures and processes successor CEO, which is the highest organization, and other senior management positions to be ensure that there are managers who are competent in succession of the organization in the future.

2) Audit Committee

As of 31 December 2018, the Audit Committee consisted of 3 directors with the following names;

Member of Audit Committee		Position
1. Mr. Suchat	Boonbanjerd Sri	Chairman of Audit Committee (resigned from the directorship of the Company on 16 January 2019)
2. Mr. Wirach	Morakotkarn	Chairman of Audit Committee (appointed to the chairman of audit committee of the Company on 26 February 2019)
3. Mrs. Pannee	Jarusombat	Audit Committee
4. Mr. Vichya	Kreangam	Audit Committee

Term and Retirement from the Audit Committee

The Audit Committee consists of at least 3 independent directors who possess qualifications as stipulated in the notifications of the Office of the Securities and Exchange Commission and shall be appointed by the Board of Directors of the Company. At least one member of the Audit Committee shall have sufficient knowledge and experience to review the reliability of financial statements pursuant to the Securities and Exchange Act (No. 4), B.E. 2551.

Each member of the Audit Committee shall hold office for a term of 3 years or shall vacate office upon:

- 1) Death
- 2) Resignation
- 3) Removal by the Board of Directors
- 4) Retirement from the position of director
- 5) Retirement from the position of independent director

The Audit Committee members who retire upon the expiration of the term of office may be re-appointed for another term as the Board of Directors or the shareholders' meeting considers appropriate.

In case a vacancy exists on the Audit Committee for reason other than by retirement upon expiration of the term of office, the Board of Directors shall appoint a qualified person as the replacement member of the Audit Committee in order to reach a total number of members as stipulated in the charter by the Board of Directors. The replacement member of the Audit Committee shall hold office only for the remaining term of office of such member he replaces.

Scope of Duties and Responsibilities of the Audit Committee

1) To review the Company's financial reporting to ensure that it is accurate in accordance with the generally accepted accounting principles and that sufficient information is disclosed

2) To review the efficiency and effectiveness of good corporate governance, risk management process and internal control process.

3) To review the Company's internal control system and internal audit system, including risk assessment policy to ensure they are suitable and effective; to consider the independence of the internal audit unit; and to approve the appointment, transfer or dismissal of the head of internal audit unit or any other agency responsible for internal audit

4) To review the Company's compliance with the law on securities and exchange, the Stock Exchange of Thailand's regulations, and the laws relating to the Company's business

5) To consider, select, and nominate an independent person to be the Company's auditor as well as terminate such person; to propose such person's remuneration; and to attend a meeting with the auditor, in the absence of the management, at least once a year

6) To review the Connected Transactions or the transactions that may lead to conflicts of interests to ensure that they are in compliance with the laws and the Stock Exchange of Thailand's regulations and are reasonable for the highest benefit of the Company

7) To prepare and to disclose in the Company's annual report, the Report of the Audit Committee which shall be signed by the Chairman of the Audit Committee and consist of at least the following information:

(7.1) An opinion on the accuracy, completeness and creditability of the Company's financial report

(7.2) An opinion on the adequacy of the Company's internal control system

(7.3) An opinion on the compliance with the law on securities and exchange, the Stock Exchange of Thailand's regulations, or the laws relating to the Company's business

(7.4) An opinion on the suitability of the auditor

(7.5) An opinion on the transactions that may lead to conflicts of interests

(7.6) An opinion on the Anti-Corruption Policy as appropriate

(7.7) The number of the Audit Committee meetings, and the attendance of such meetings by each committee member

(7.8) An opinion or overview comment of the Audit Committee from its performance of duties in accordance with the charter

(7.9) Other transactions which, according to the Audit Committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's Board of Directors

8) To review and comment on the internal audit plan and the performance of the internal audit unit. In performance of its duties under the scope of duties and authorities, the Audit Committee shall have authority to invite relevant management, executives, or employees to express opinions in the meeting or submit related documents as necessary.

9) In performance of duties of the Audit Committee, if any of the following transactions or actions which may cause significant impacts on the financial status and the operating result of the Company is found or in doubt, the Audit Committee shall investigate such transaction or action, and report the result to the Board of Directors for rectification within the period of time as the Audit Committee deems fit.

(9.1) Report which contains conflict of interest

(9.2) Dishonest, corruption or irregular activities or significant defects in the internal control system

(9.3) Violation of the law on securities and exchange, the Stock Exchange of Thailand's regulations, and the laws relating to the Company's business.

If the Board of Directors or executives fail to carry out rectification within the period of time as the Audit Committee deems fit, any member of the Audit Committee may report such transaction or action to the Securities and Exchange Commission or the Stock Exchange of Thailand.

10) To consider, review, and revise the charter of the Audit Committee and propose to the Board of Directors for approval

11) To perform any other act as assigned by the Company's Board of Directors with the consent of the Audit Committee

Audit Committee's Meeting

The Audit Committee shall have at least 4 meetings a year and has the authority to convene additional meetings as necessary. (Detail of the additional meetings for the year 2018, specified in the page 30) Management or auditor or experts may be invited to attend the meeting during consideration of the agenda item which is related to them.

3) Risk Management Committee

As of 31 December 2018, the Risk Management Committee consisted of 5 directors with the following names;

Member of Risk Oversight Committee		Position
1. Mr. Sophon	Pholprasit	Chairman of Risk Management Committee
2. Mr. Thitipong	Tangpoonphonvivat	Risk Management Committee (resigned from the risk management committee on 26 February 2019)
3. Dr. Tawat	Anantanavanich	Risk Management Committee

Member of Risk Oversight Committee		Position
4. Mr. Chainarin	Sairungsri	Risk Management Committee
5. Mr. Vipoota	Trakulhoon	Risk Management Committee (appointed to the risk management committee on 26 February 2019)
6. Mrs. Wisadja	Kochsena	Risk Management Committee

The Risk Management Committee consists of the members who are representatives of different lines of work and relevant top management as appointed by the Board of Directors. There shall be at least 3 members in the Risk Management Committee and each member shall vacate office upon:

- 1) Death
- 2) Resignation
- 3) Removal by resolution of the Board of Directors

Members of the Risk Management Committee comprise Chief Executive Officer, director or independent director, Managing Director, executive, and/or suitable risk management officer. The Risk Management Committee shall be chaired by an independent director. The Risk Management Committee shall appoint an officer of the Company to be the secretary of the Risk Management Committee.

Scope of Duties and Responsibilities of the Risk Oversight Committee

1) To study, review, and assess both internal and external risks that may occur, and the tendency of the impacts on the organization, covering at least the following 5 risks:

- Strategic risk
- Operational risk
- Financial risk
- Regulatory compliance risk
- Corruption risk

2) To establish and submit the risk management policies to the Board of Directors for consideration of overall risk management, and to assess, monitor, and control the risks of the Company to the acceptable level

3) To determine the strategies, organizational structure, and resources required for management of the Company's risks in conformity with the Company's risk management policies, strategies, and business direction

4) To determine the amount of budget or activity type based on the risks for submission to the Board of Directors for approval as the criteria for operations in different risk scenarios

5) To oversee and review sufficiency of strategic policies and practices to ensure the risk management strategies will be suitably implemented, and also effectiveness of risk management system for full compliance with the established policies, as well as control and supervision of overall risks

6) To appoint the risk assessment team, and to monitor risks in overall organization

7) To report the risk management results, including the status of each risk type to the Audit Committee and the Board of Directors to ensure the Board of Directors is aware of and realizes the factors which may cause significant impacts on the business operation of the Company

8) To consider and amend the charter and propose to the Board of Directors for approval

9) To perform other tasks as may be assigned by the Board of Directors

Risk Management Committee's Meeting

1) In the meeting of the Risk Management Committee, the presence of not less than one half of the total number of the Risk Oversight Committee members is required to constitute a quorum.

2) The meetings shall be convened no less than twice a year.

3) The Risk Management Committee may invite, as necessary, other persons to attend the meeting during consideration of the agenda item which is related to them.

4) The resolution on any matter shall be passed by votes of not less than one half of the total members present at the meeting.

5) The secretary of the Risk Management Committee is responsible for all arrangements for the meeting, including preparation of the meeting, meeting agenda, and supplementary documents for the meeting, and delivery of meeting documents via email to all members of the Risk Management Committee within the sufficient period of time or at least 7 days prior to the date of meeting. The secretary shall also prepare the minutes of the meeting and deliver to the Risk Oversight Committee members within 14 working days after the date of meeting.

4) Nomination & Remuneration Committee

As of 31 December 2018, the Nomination & Remuneration Committee consisted of 4 directors;

Member of Nomination & Remuneration Committee

1. Mr. Wirach	Morakotkarn	Chairman of the Nomination & Remuneration Committee (resigned from the Chairman of the Nomination & Remuneration Committee from 26 February 2019)
2. Mr. Vipoota	Trakulhoon	Chairman of the Nomination & Remuneration Committee (Appointed to the Chairman of the Nomination & Remuneration Committee from 26 February 2019)
3. Mr. Thitipong	Tangpoonphonvivat	Nomination & Remuneration Committee
4. Dr. Vichya	KreaNgam	Nomination & Remuneration Committee

Term and Retirement from the Nomination and Remuneration Committee

The Nomination and Remuneration Committee is appointed by the Board of Directors and consists of at least 3 members who are directors and executives. More than one half of the members shall be independent directors. The Chairman of the Nomination and Remuneration Committee shall be independent director. The member who retires from

office upon expiration of term may be re-appointed to hold office for another term as the Board of Directors deems appropriate.

Each member of the Nomination and Remuneration Committee shall vacate office upon:

- 1) Death
- 2) Resignation
- 3) Removal by the resolution of the Board of Directors

The Board of Directors has authority to appoint additional members of the Nomination and Remuneration Committee for the benefit of business operation in compliance with the objectives and to replace the members who vacate office due to 1), 2), or 3) as above-stated. The replacement member of the Nomination and Remuneration Committee shall hold office only for the remaining term of office of such member he replaces.

The Nomination and Remuneration Committee shall appoint an officer of the Company to be the secretary of the Nomination and Remuneration Committee.

Scope of Duties and Responsibilities of the Nomination and Remuneration Committee

1. Nomination

- 1) To establish the policies, criteria and methods for nomination of directors and authorized managers and propose to the Board of Directors for approval
- 2) To select a person who possesses qualifications in accordance with related regulations and laws to be nominated as director, member of sub-committee, and authorized manager to the Board of Directors for approval

For nomination of a director, the Nomination and Remuneration Committee shall consider his experience in at least one of the following professions, e.g. sales, finance, business administration, marketing, human resource management, law, management, etc. which is important for the Board of Directors. Consideration should be also given to the competence to assist the Board of Directors in performing duties in a more careful manner, the ability to make reasonable business decisions, strategic thinking, leadership experience, high degree of professional expertise, integrity, and other appropriate personal qualifications.

- 3) To disclose the nomination policy and procedure in detail in the Company's annual report
- 4) To review and conclude the result of succession planning and suitable continuity of administration for top management annually and report to the Board of Directors for acknowledgement

2. Remuneration

- 1) To determine the policies, criteria or methods for consideration of remuneration and other benefits, and propose the remuneration for directors based on the fair and transparent criteria to the Board of Directors for consideration to further propose in the meeting of shareholders
- 2) To establish the guidelines for assessment of performance of directors and authorized managers for consideration of annual remuneration and propose to the Board of Directors for consideration to further propose to the meeting of shareholders

- 3) To disclose the remuneration policies and all forms of remuneration, and prepare the remuneration report which shall at least contain details on operation targets and opinions of the Nomination and Remuneration Committee in the Company's annual report
 - 4) To propose the suitable remuneration of the Board of Directors and the sub-committees to the Board of Directors for consideration before proposing to the meeting of shareholders for approval
3. Others
- 1) To perform duties as assigned by the Board of Director; to review and amend the charter to propose to the Board of Directors for approval

The Nomination and Remuneration Committee shall be responsible to the Board of Directors and report the performance result to the Board of Directors in every meeting of the Nomination and Remuneration Committee. Also the Nomination and Remuneration Committee shall review and amend the charter which shall be proposed to the Board of Directors for approval.

The Nomination and Remuneration Committee's Meeting

- 1) The Nomination and Remuneration Committee shall convene a meeting in case of nomination of directors or executives, or consideration of remuneration.
- 2) The Chairman of the Nomination and Remuneration Committee shall assign the secretary to deliver meeting notice together with meeting agenda, and supplementary documentation for meeting via email to the committee members 7 days in advance of the date of meeting in order for the committee members to have enough time to study the information. A written record of the meeting shall be prepared and kept in the well-organized filing system which is easy to retrieve. Details of the written record of the meeting cannot be changed without approval of the meeting and are ready for examination by the Board of Directors or related parties. The minutes of the meeting shall be prepared within 14 days after the date of meeting. The secretary shall keep the minutes of the meeting and supplementary documentation for the meeting; provide support to the Nomination and Remuneration Committee to ensure they perform duties in compliance with laws and regulations; and coordinate with related parties.
- 3) In the meeting of the Nomination and Remuneration Committee, the presence of not less than one half of the total number of the Nomination and Remuneration Committee members is required to constitute a quorum.
- 4) The meeting shall be convened at least once a year.
- 5) The resolution of the Nomination and Remuneration Committee shall be made by majority vote.

5) Corporate Governance Committee

As of 31 December 2018, the Corporate Governance Committee consisted of 4 directors;

Member of Corporate Governance Committee

- | | | | |
|----|------------|-------------|--|
| 1. | Mr. Vichya | KreaNgam | Chairman of Corporate Governance Committee |
| 2. | Mr. Wirach | Morakotkarn | Corporate Governance Committee |
| | | | (resigned from the Corporate Governance |

			Committee on 26 February 2019)
3.	Mr. Vipoota	Trakulhoon	Corporate Governance Committee (appointed to the Corporate Governance Committee on 26 February 2019)
4.	Mr. Wuttichai	Sresthabutra	Corporate Governance Committee
5.	Mrs. Wisadja	Kochsena	Corporate Governance Committee

Term and Retirement from the Corporate Governance Committee

The Corporate Governance Committee consisted of at least 3 members who are directors or Independent Director and executives of the Company. The Chairman of the Corporate Governance Committee shall be independent director and shall appoint an officer of the Company to be the secretary of the Corporate Governance Committee.

The Corporate Governance Committee who vacates office shall be replaced and in case of any director from office before the end of the term shall be elected within 90 days of the vacancy. The director who has replaced into the tenure of the vacancy of directors to act for them.

The Corporate Governance Committee shall vacate office upon:

- 1) Death
- 2) Resignation
- 3) Removal by the resolution of the Board of Directors

Scope of Duties and Responsibilities of the Good Corporate Governance Committee

1) To consider, determine, review, and amend the policies and manual on good corporate governance practices, business code of conduct, ethics of employees, and anti-corruption at least once a year in compliance with the international practices; and to propose the criteria for good corporate governance practices to the Board of Directors for approval and implementation at all levels

2) To consider, determine, review, and amend the policies, manual and guidelines on corporate social responsibility (CSR) for submission to the Board of Directors for approval and implementation at all levels; and to ensure operation in compliance with CSR policies

3) To provide advice on CSR to the Board of Directors

4) To promote and oversee the Company's business operation and the performance of the Board of Directors, executives, and employees to be in compliance with CSR policies

5) To assign the person to be responsible for overseeing Company's business operation in conformity with relevant laws, regulations policies, and practices

6) To perform other tasks as may be assigned by the Board of Directors and/or the meeting of shareholders

7) To report the results of the performance and the meeting of the Good Corporate Governance Committee to the Board of Directors for acknowledgement or for approval

8) To review and amend the charter of the Good Corporate Governance Committee to propose to the Board of Directors for approval

The Corporate Governance Committee's Meeting

- 1) The Corporate Governance Committee shall convene at least 4 meetings a year.
- 2) In each meeting, the presence of not less than one half of the total number of the Corporate Governance Committee members is required to constitute a quorum.
- 3) Any member of the Corporate Governance Committee who has an interest in the matter to be considered shall abstain from expressing opinions and voting in such matter.
- 4) A final decision of the meeting shall be made by majority vote. In case of equality of votes, the Chairman of the meeting shall have an additional vote as a casting vote. In making a resolution, not less than two-thirds of the total Committee members shall be present at the meeting.
- 5) The secretary of the Corporate Governance Committee shall deliver meeting notice via email to the committee members not less than 7 days in advance of the date of meeting. The minutes of the meeting shall be recorded and prepared within 14 days after the date of meeting. The secretary shall keep the minutes of the meeting and supplementary documentation for the meeting; provide support to the Corporate Governance Committee to ensure they perform duties in compliance with laws and regulations; and coordinate with related parties.

6) Executive Committee

As of 31 December 2018, the Executive Committee consisted of 3 members;

Member of Executive Committee		Position
1. Mr. Thitipong	Tangpoonphonvivat	Chairman Executive Committee / Chief Executive Officer
2. Dr. Tawat	Anantanavanich	Executive Committee / Managing Director
3. Mr. Wuttichai	Sresthabutra	Executive Committee

Term and Retirement from the Executive Committee

The Executive Committee consists of the directors who have experience and suitable qualifications as recommended by the Nomination and Remuneration Committee, and approved by the Board of Directors. The Chairman of the Executive Committee shall be appointed by the Board of Directors. The Company Secretary shall act as the secretary of the Executive Committee, except otherwise assigned by the Executive Committee.

The term of office of the Executive Committee member shall be the same as that of director and shall vacate office upon:

- 1) Death
- 2) Resignation
- 3) Removal by the resolution of the Board of Directors

Any member of the Executive Committee who wishes to resign from office shall tender a letter of resignation to the Chairman of the Board of Directors. In case a vacancy exists on the Executive Committee, the Board of Directors

shall appoint a new member of the Executive Committee within 90 days in order to have the total number of the Committee members as stipulated by the Board of Directors.

Scope of Duties and Responsibilities of the Executive Committee

1) To propose the strategic plan, yearly business plan, cost budget, business targets, and project plans to the Board of Directors for approval

2) To manage the Company's business to achieve the established objectives and targets; to control the business operations in compliance with laws and policies of the Company; and to oversee the Company's business management as determined

3) To perform general business-related matters of the Company; to study, consider, and monitor the Company's business activities, e.g. investment which requires a considerable amount of money, launch of new products, joint-investment, loan offering or guarantee

4) To supervise and monitor the operating performance results and financial status of the Company and its associate companies and report to the Board of Directors for acknowledgement every quarter

5) To seek and assess new investment opportunities

6) To consider and provide suggestions about the Company's dividend policy to the Board of Directors

7) To review transactions relating to investment and disposal of assets, human resources management, general administration, and other business-related transactions of the Company within the scope of authority as assigned by the Board of Directors

8) To supervise and manage the Company's investment budget, and to contemplate the important matters of the Company before raising the matters for consideration in the meeting of the management of each business sector

9) To consider and provide comments on the matters which are not the Company's normal business affairs and shall be approved by the Board of Directors

10) To consider and review the risk management and internal control system of the Company

11) The Executive Committee may authorize an executive or a person to perform any act or all acts as it deems appropriate. Approval of the Executive Committee and/or empowerment shall not involve Connected Transactions or the transactions that may lead to conflict of interests or transactions that any member of the Executive Committee has interest in as stipulated in the Articles of Association of the Company and the notification of the Capital Market Supervisory Board. Approval of any transactions shall be in compliance with the policy and procedures stipulated by the Board of Directors and the regulatory compliance unit.

12) To consider employment of independent advisors or persons to provide opinions or suggestions as necessary

13) To invite management team or related persons of the Company to provide opinions, attend the meeting or give related information

14) To report important operation results to the Board of Directors on a regular basis, including significant issues that the Board of Directors should be aware of

15) To consider, review, and amend the charter of the Executive Committee and propose to the Board of Directors for approval

16) To perform any other duties as assigned by the Company's Board of Directors

The Executive Committee's Meeting

1) The Executive Committee shall arrange or call a meeting as it deems appropriate at least once a month and all members shall regularly attend the meeting.

2) In each meeting, the presence of not less than one half of the total number of the Executive Committee members is required to constitute a quorum.

3) A resolution of the Executive Committee's meeting shall be made by a majority of votes of the members in attendance to form a quorum. Any member of the Executive Committee who has an interest in the matter to be considered shall not be present during the consideration of the matter or abstain from voting in such matter.

4) The Chairman of the Executive Committee or the secretary by order of the Chairman of the Executive Committee shall deliver meeting notice via email to the committee members not less than 7 days in advance of the date of meeting. This is except for the case of necessity or urgency, the Chairman of the Executive Committee shall call a meeting without delivery of the notice of meeting in advance. The minutes of the meeting shall be recorded and prepared within 14 days after the date of meeting. Other responsibilities include keeping of the minutes of the meeting and supplementary documentation for the meeting; providing support to the Executive Committee to ensure performance of duties in compliance with laws and regulations; and coordinating with related parties.

Duties and responsibilities of Chief Executive Officer

1) The Chief Executive Officer is responsible for managing operations and performs routine tasks. For the benefit of the Company and the purposes of the Company as well as regulations, policies, plans and resolutions within the framework of the law and jurisdiction of the Board of Directors determined.

2) To consider the annual budget prepared by the management which to be presented to the Board of Directors including to controls of spending of annual budget.

3) The Chief Executive Officer is authorized to perform any act that can be to perform according to normal business.

4) The Chief Executive Officer shall be presented to the Board of Directors to approve the investment of the Company which is not in the policy of the Company.

5) Powers Act and the presence of a representative of the business to a third party.

6) Approved the appointment of consultants necessary to the operation of the business.

7) Consider hiring, salary adjustments and benefits for their work positions. Including bonuses to executives. And all employees of the company hierarchy.

8) To approve the action plans of each department. And approve requests from various departments. Beyond the jurisdiction of the task.

9) Perform other duties as assigned by the Board of Directors each time.

10) The actions related to the transaction. As defined by the Securities and Exchange Commission (SEC) for approval to the Board of Directors.

11) To consider the profits and losses of the Company and to propose interim dividend or annual dividend to the Board of Directors.

In addition, the aforementioned delegation of authority to the Chief Executive Officer must be under the rules of law and regulation of the Company. In the case that may have benefit or interests to the Chief Executive Officer or person who may have conflicts (According to the announcement of the SEC), the Chief Executive Officer or attorney has no authority to approve such actions. The Chief Executive Officer must present the matter to the Board of Directors for further consideration.

In addition, any transaction is connected transaction or relating to the acquisition or disposal of assets of the Company, according to definition specifies in the announcement of the Stock Exchange of Thailand, such transaction must be approved by the Shareholders' meeting and/or other operation in accordance with the rules and procedures as specified in the said matter in order to comply with the requirement of the Stock Exchange of Thailand.

9.3. Nomination of Directors and high level Executives

1) Definition of independent directors of the Company

1. Shareholding no exceeding 1% of shares with right of total votes of the company, large company, subsidiary companies, associated companies or juristic person may be in conflict, anyhow, including a shareholding of related person of such independent directors.

2. Not being or has never been directors taking part of administration, employee, staff, advisor with permanent salary or authorized person to control the company, large company, subsidiary companies, associated companies or juristic person may be in conflict, except to be retired from such descriptions no less than two years prior appointment.

3. Not being a person with blood relationship or by legal registration in description of being father, mother, spouse, siblings and children, including the spouse of children of the executives, large shareholders, authorized persons to control or persons to be proposed as an executive or authorized person to control to company or subsidiary company.

4. Not having or has been in business relationship such as normal business transaction in order to conduct of renting or leasing properties, particulars of assets or services or offering or accepting financial assistance including other similar behaviors with the company, large company, subsidiary companies, associated companies or juristic person may be in conflict to be obstructed to the self-consideration independently including not being large shareholder, director which is non-independent director or executive of the person with business relationship to the company, large company, subsidiary companies, associated companies or juristic person may be in conflict, except to be excepted from such description no less than 2 years prior appointment.

5. Has never been or has been the auditor of the company, large company, subsidiary companies, associated companies or juristic person may be in conflict, and not being large shareholder, director which is non-independent director, executive or managing partner of auditing office with the auditor of the company, large company, subsidiary

companies, associated companies or juristic person may be in conflict available, except to be exempted from such description no less than 2 years prior appointment.

6. Not being or has been any professional provider including legal advisor or financial advisor with service charge more than 2 MB a year from the company, large company, subsidiary companies, associated companies or juristic person may be in conflict, anyhow, in case the professional provider is a juristic person, it shall include the large shareholder, director which is not independent director, executive or managing partner of such professional provider as well, except to be exempted from such description no less than 2 years prior appointment.

7. Not being a director appointed to be a representative of the board of directors, large shareholders or shareholders who is related to the large shareholder of the company.

8. Not being a director assigned from the board of directors to decide in business operation of the company, large company, subsidiary companies, associated companies or juristic person may be in conflict.

9. If the independent directors hold the position of independent director in large company, subsidiary company and subsidiary company in the same ranks, the company shall disclose such information of position holding with remuneration received by such independent director in or 56-1 and or 56-2 too.

10. Has no other aspect cause inability to give opinion independently on the operation of the company.

2) Nomination and Appointment of Directors and Top Management

Nomination of Independent Directors

Regarding nomination of independent directors, in the case that any independent director completes the term of office or in case of necessity to appoint an additional independent director, the Company by the Board of Directors holding office at that time shall discuss to select the qualified person who possess experience, knowledge and competence which are beneficial to the Company, and also have the following minimum qualifications, and then propose to the meeting of the Board of Directors or the meeting of shareholders for consideration in accordance with the Article of Association of the Company.

According to the Company's policy, the number of independent directors shall not be fewer than 1/3 of the total number of the members of the Board of Directors and there shall be at least 3 independent directors. The Company has also established the qualifications of independent directors in accordance with the requirements of the Capital Market Supervisory Board. All independent directors shall possess all of the following qualifications:

1. Holding shares not exceeding one per cent of the total number of shares with voting rights of the Company, its parent company, subsidiary company, associate company, or jurist entity which may pose conflict of interest, including shares held by related persons of such independent director.

2. Neither being, nor used to be an executive director, employee, staff, advisor who receives salary, or controlling person of the Company, its parent company, subsidiary company, associate company, same-level subsidiary company, or juristic entity which may pose conflict of interest, unless the foregoing status has ended not less than two years prior to the date of filing an application with the Securities and Exchange Commission, or prior to the date of being appointed as independent director.

3. Not being a person related by blood or legal registration as father, mother, spouse, sibling, and child, including spouse of child, executive, major shareholder, controlling person, or person to be nominated as executive or controlling person of the Company or its subsidiary company (if any).

4. Neither having, nor used to have a business relationship with the Company, its parent company, subsidiary company, associate company, or juristic entity which may pose conflict of interest, in a manner which may interfere with his independent judgment, and neither being, nor used to be a major shareholder or director who is not independent director, or controlling person of any person having a business relationship with the Company, its parent company, subsidiary company, associate company, or juristic person which may pose conflict of interest, unless the foregoing relationship has ended not less than two years prior to the date of filing an application with the Securities and Exchange Commission, or prior to the date of being appointed as independent director. The foregoing business relationship shall cover normal business transactions to conduct renting or letting for rent of real estate, asset- or service-related transactions, offering or accepting financial assistance by receiving or giving loans, and giving assets as collateral for loans, including other similar activities, causing the Company or the party to the contract has burden to pay debts to the other party at least 3 per cent of the net tangible assets of the Company or at least 20 million baht depending on which one is lower. Calculation of such debt burden shall follow the method for calculation of value of the connected transactions pursuant to the notification of the Capital Market Supervisory Board regarding criteria for connected transactions *mutatis mutandis*. Such debt burden shall cover all debts arising during the period of 1 year before the date of having business relationship with such person.

5. Neither being, nor used to be an auditor of the Company, its parent company, subsidiary company, associate company, or juristic entity which may pose conflict of interest, and not being a major shareholder, director who is not independent director, controlling person, or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary company, associate company, or juristic entity which may pose conflict of interest, unless the foregoing status has ended not less than two years prior to the date of filing an application with the Securities and Exchange Commission, or prior to the date of being appointed as independent director.

6. Neither being, nor used to be a provider of any professional services including those as legal advisor or financial advisor who receives service fees exceeding two million baht per year from the Company, its parent company, subsidiary company, associate company, juristic entity which may pose conflict of interest, and not being a major shareholder, director who is not independent director, controlling person or partner of the provider of professional services which is juristic entity, unless the foregoing status has ended not less than two years prior to the date of filing an application with the Securities and Exchange Commission, or prior to the date of being appointed as independent director.

7. Not being a director appointed as representative of director of the Company, major shareholder or shareholder who is related to major shareholder.

8. Not undertaking any business in the same nature and in competition to the business of the Company or its subsidiary company, or not being a significant partner in a partnership, or not being an executive director, employee, staff, advisor who receives salary or holding shares exceeding one per cent of the total number of shares with voting

rights of other company which undertakes business in the same nature and in competition to the business of the Company or its subsidiary company.

9. Not having any other characteristics which cause the inability to express independent opinions with regard to the Company's business operations.

10. Not being a director assigned by the Board of Directors to make decision on the business operations of the Company, its parent company, subsidiary company, associate company, same-level subsidiary company, or juristic entity which may pose conflict of interest.

11. Not being a director of the parent company, subsidiary company, or same-level subsidiary company which is a listed company. Each independent director shall check and endorse his qualifications of independence at least once a year and shall submit the report together with his profile at the end of each year for preparation of the annual information disclosure form and annual report of the Company.

Nomination of Directors

According to the articles of Association of the company, the Company's Board of Directors consists of Committee of not less than 5 persons and a Committee of not less than one half of the total membership must be resident in the Kingdom.

The general meeting of shareholders at every annual, Directors must retire from office at the rate of one-third. If the number is divided straight into 3 parts does not, then the number closest to the number 1 in 3 is the directors who retired by rotation may be elected to serve as directors of the new company. Both assigned to the shareholders elect directors under the rules and procedures prescribed in the Articles of Association of the Company.

1) Each shareholder has one vote per one share, one vote.

2) Each shareholder must use all his votes to elect one or several persons as directors, in the case of the election of several directors, the votes to break any much impossible.

3) The persons receiving the highest vote down. Was elected as directors or board of directors shall be elected at the time. In the case of a person who was elected in descending order of votes equal to the maximum number of guests. Or be elected at that time. To the chairman a casting votes.

In the event of a vacancy, reasons other than retirement by rotation. The committee will select one person who is qualified. And not prohibited by law. To be appointed at the next Board Meeting. The votes of not less than 3 in 4 of the remaining directors, except directors remaining term of less than two months, such person shall be a director instead. Be in position for the remaining term of the Director whom he represents.

Meeting of Shareholders May approve any director from office before the expiration of their term. The votes of not less than three-fourths of the shareholders at the meeting with voting rights and shares amounting to not less than one-half of the shares held by the shareholders present at the meeting and entitled to vote.

The Company has not set a maximum number of directors to be elected to a new director, includes properties in terms of age. However, the Company will take into account the time devoted to knowledge useful to the company. Including the ability to perform the duties is important.

Nomination of audit committee

The Audit Committee shall be appointed by the Board of Directors or shareholders. All members of the Audit Committee shall be independent directors and have the qualifications of independence as stipulated in the notifications of the Office of the Securities and Exchange Commission and the corporate governance principles. The Audit Committee consists of at least 3 independent directors and at least one member shall possess accounting and/or financial literacy to review and supervise the business operations of the Company, including financial reports, internal control system, selection of auditor, and consideration of conflict of interest. Each Audit Committee member shall hold office for a term of 3 years.

Nomination of Management

For nomination of a top-level executive, the Company shall consider the suitable person who possesses knowledge, abilities, skills, and experiences which are useful for the business operations of the Company, and thoroughly understand the business nature of the Company to be nominated as the executive of the Company.

9.4. Supervision the operation of the Subsidiaries and Associated

In accordance with the resolution of the Board of Directors 2/2559 February 25, 2016, approved the corporate governance policy to the performance of the company and the company by the effect from the date of the resolution of the Board of Directors Meeting 2/2559 February 25, 2016 with the compliance of the company and the company shall be according to the code of conduct in the business (conduct guidelines as well as Regulatory Strategic Goal Business Continuity and to track the performance of the company and the company continuously.

The policy and the management of the supervision of the performance of the company and the Company (current and or if it will be available in the future.):

The Policy

- The Company has the respect of the rights and the stakeholders has had equitable and responsibility for the decisions and actions that can explain and clarify. accountability encompasses its
- The company to have the disclosure of information with transparency can check reorganizing
- The company to have to rely on ethical conduct and the Code of Conduct is the foundation of business code of conduct and the code of ethics)
- The Company the growth to the company and the company with and add value to the long-term shareholder (creation of long-term value, research with due regard to the rights of all stakeholders, including coordinating a superior equilibrium between the different stakeholders each group and with the company with a fair to all parties.
- The Company the growth to the company and the company with and add value to the long-term shareholder (creation of long-term value, research with due regard to the rights of all stakeholders, including coordinating a superior equilibrium between the different stakeholders each group and with the company with a fair to all parties.

- In the event that the Company and its subsidiaries or affiliates may have a bid competition. The Company has a policy not to compete in the main business with each other and will continue to provide maximum benefit to all stakeholders of both the Company or Companies
- The Company has a sense of responsibility in the obligations and act with the capabilities for the actions of their stakeholders, particularly the shareholders to behave according to

Management

- Consider sending a qualified person to a representative of the Company to directors and/or management in the company and the company at least according to the shareholders proportion to supervise and control the business.
- The delivery report such representation with the features of the agent for the Board of Directors to Acknowledge
- Compliance. The Company has treated according to a power of approval and the action as well as the disclosure of information and any action that is based on the rule that with the Securities and Exchange Commission and the regulations announced the command or the requirements of the Stock Exchange of Thailand as well as the provisions on the disclosure of information of the connected transaction and/or assets.
- The summary report the performance of the company and the company to the Board of Directors every quarter and in the case where there is a significant of the company, such as the capital increase/decrease the capital of the company to offer it to the Board of Directors of the company to approve any action

Depending on the action is above the company to recognize the importance of the principles of good corporate governance as a primary factor in building an organization to have a system that is efficient and is committed to conducting business in accordance with the orientation of the good corporate governance in order to create a mechanism to control the operations of the company to have the transparency is fair and confidence to interested parties

9.5. Internal Information

The Company realized the importance of the use of inside information to comply with the principles of good corporate governance by the good governance principle that are good integrity in its business and to the shareholders of the company. Get the news that is equal, the company has the policy on the disclosure of information on financial reports and performance by are summarized as follows

1) Disclosure of financial information and information about the business and the results of the company to correct and complete enough trust in time and regularly to the shareholders, investors and securities analysts and the general public. The Company has complied with the laws, regulations, procedures related to the disclosure information in strict accordance to the Board of Directors and management when the securities trading must report to hold securities by the Securities and Securities Exchange Act (No. 4) B.E. 2008. The Report Changes to hold securities in within the specified.

2) In the care of the use of inside information is the responsibility of the directors, executives and staff at the will not disclose the information within the material that will affect the business and the price of the securities of the

company and is not disclosed to the public and will not use the opportunity or the data from the director, executive, or employees of the company in prohibiting or inside information to other people.

3) Trading in Securities of the company and in the business that compete with the company or business related company has defined the protected by the limited to recognize the Data Only Directors and high level executives only related actions violate any of the Company received the loss or damage the business opportunity the Company considered to be contrary to the policy and ethical conduct of the business must have a penalty in serious disciplinary action and also has the responsibility of the Securities and Securities Exchange Act (No. 4) B.E. 2008.

** by the specified in the manual the principles of good corporate governance and regulatory treatment of the company to be acknowledged and comply.

9.6. Remuneration of Auditors

The Annual General Meeting of Shareholders 2018 on April 24, 2018 had the resolution to approve the appointment of

- | | | |
|----|-------------------------------|---|
| 1) | Ms. Sansanee Poolsawad | Certified Public Accountant License No. 6977 or |
| 2) | Mr. Teerasak Chuasrisakul | Certified Public Accountant License No. 6624 or |
| 3) | Ms. kanyanat Sriratchadchawan | Certified Public Accountant License No. 6549 or |
| 4) | Mr. Narin Joramongkol | Certified Public Accountant License No. 8593 |

From Grant Thornton Company Limited, an audit company that is well qualified and widely accepted, approved by The Securities and Exchange Commission as the auditor of the company and its subsidiaries. As at 31 December, 2018, the audit fee was determined at Baht 2,800,000 and authorized the Board of Directors to approve if Grant Thornton Company Limited requires a replacement of the certified public accountant, in case the listed certified public accountant cannot perform his/her duty. The Board of Directors was also authorized to approve the financial statement of the company and its subsidiaries.

(Unit: Million Baht) General Engineering Public Company Limited and Subsidiaries

		Year
1. Audit Fee	2,800,000	2018
	2,100,000	2017
	1,975,000	2016
2. Non-audit fee	281,668	2018
	119,893	2017
	114,865	2016

Remark: Non-audit fee is the actual expense, such as travel allowance, overtime and accommodation, etc.

Compliance with the principles of good corporate governance

The Company has recognized the importance of good corporate governance which is very important for the business to grow sustainable as well as creating confidence for shareholders, investors or related parties to ensure management to be transparent, able to check and have good governance and being able to receive public recognition. The resolution of Board of Director No. 7/2019 held on 15 August 2019 determined a policy on good corporate governance and has reviewed a policy for annual.

In this regards, the Corporate Governance Committee adopted the survey criteria for the Thai Listed Company from the Thai Institute of Directors Association (IOD) which was accepted by the Stock Exchange of Thailand and the SEC to be as a model for creating a good corporate governance of the Company.

The good governance policy is consistent with the good governance principle of the SET and the regulations of the SEC, which the Company has practiced continuously as follows:

- 1) Right of the shareholders.
- 2) Equitable treatment of the shareholders.
- 3) Role of the stakeholders.
- 4) Revelation of information and transparency.
- 5) Responsibility of the board of directors.

During the Board of Directors Meeting 8/2017 held on 14 November, 2017, the board has acknowledged the Good Corporate Governance Report for Listed Companies 2017 (CG Code) 8 new code according to the Corporate Governance Code for Listed Companies 2017 (CG Code) issued by the Securities and Exchange Commission. The Board of Directors has great understanding and concerns about the governing body and the compliance of the CG Code for sustainable growth. Moreover, the Company has assessed according to the CG Code in overall by considering from the assessment result where the Good Corporate Governance Committee was assigned to assess and clarify at the first stage.

Chapter 1 Right of the shareholders

The Company gives priority to the right of the shareholders with the realization that the shareholders have the right of ownership by controlling the company through the appointment of the board of directors to act on their behalf, and the right to make the decision relating the important changes to the Company.

The basic rights of the shareholders are participating to appoint and remove the directors; appointment of the auditor and the matters that affect the Company, e.g. a revision of the rules and the articles of association, a reduction or increase of capital, allocation of dividends, and approval of the related items. The shareholders are also given the right to transact or transfer their shares, profit-sharing, or dividends, including receiving information from the Company continuously. The Company shall not do anything to violate or derogate the right of the shareholders with the good guidelines toward them as follows:

1. The Company has appointed Thailand Securities Depository Co., Ltd. as its registrar to send a meeting invitation to the shareholders and the supplemental documents to all the shareholders before a meeting date a minimum of 7 days in advance. The meeting invitation shall contain complete information and opinions of the board of directors on each item clearly.

2. The Company shall bring the meeting invitation with the supplemental documents to announce to the shareholders via the channel of the SET and on its Web site 20 days in advance before the meeting date to open the opportunity for the shareholders to study the information before the meeting date.

3. The Company has arranged the meeting venue of the shareholders at a convenient location, provided convenience for the shareholders exercise their right to attend the meetings, and vote fully without limiting the opportunity to attend the meeting. It is to promote the right of the shareholders and opens an opportunity for the shareholders to inquire and talk informally with the board of directors.

4. The chairman of the board, chairman of the committees, the president, and everyone attends the shareholders' meetings, as well as the auditor to attend the annual general meeting (AGM) with the directors to answer the involved issues.

5. The Company has notified the method of voting and counting using the ballots to the shareholders in advance before the meeting, which is not complicated. There are minutes of the meeting clearly recording the accepted and rejected votes, and the absence on each voting item.

The company has a policy to encourage and facilitate its shareholders, including institutional investors in attendance. The company selected the venue, which has a mass transit system and adequate access for shareholders to attend easily. The company invites shareholders to send documents to register prior to the meeting. To shorten the time to examine the documents on the company and the Channel Register. As a meeting place for individual shareholders and institutional investors The Company uses the bar code used in the registration and voting to allow the registration and processing of the ballot is very fast and has provided duty stamps provided. Shareholders in the proxy, in order to facilitate the shareholders.

Chapter 2 Equitable Treatment of the Shareholders

For building confidence to the shareholders, the board of directors and the management shall supervise the spending of the shareholders' money, suitably as the important factor toward confidence in the investment with the Company. Therefore, the board of directors has supervised the shareholders to be treated and protected of their basic rights equitably.

1. The board of directors manages the process of the shareholders' meetings in terms of supporting by sending a proxy form to all shareholders, in case the shareholder is not convenient to attend the meeting in person it can appoint someone to attend by proxy. The format of the proxy form makes the shareholder can vote by proxy by agreeing, disagreeing, or abstaining. Also the Company shall arrange for its Chairman and the two Audit committees as the alternative for the proxy, supplemented by the qualified four directors.

2. Giving the right to the minority shareholders to present in the agenda of the shareholders' meeting, or present the name of the people to be elected as a board director before the meeting date of the shareholders' meeting. There were no headings stated on the website officially, but the shareholders can send information asking to increase the agenda, or present a name of the directors with his qualification to the Company's website. However, in the past, there did not have any information sent in.

3. Giving the right to the shareholders to vote, with one share one vote.

4. Establishing a measure to prevent from using the inside information to find interesting to himself or other people dishonestly by the board directors. It has to disseminate the measure to the executives for acknowledgement, while the board directors and the executives of the Company have to report a change of its holding of securities to the SEC on each time. The Company's employees shall not disclose the publicly undisclosed information to other people. A disclosure of information may have an impact on the business and the price of the Company's securities; it requires approval from the executives first. It is prohibited the board directors and the executives from utilizing the inside information, which can cause damage to the overall shareholders.

The Company has submitted the documents on utilizing inside information and the offenses occurred to the board directors and the Company's employees on each new regulation issued by the SEC. If there is a director or employee that takes the opportunity to seek the undue benefit, he shall be disciplined by the Company.

In the past, at no time there was a director or executive alleged abuse the inside information.

5. A revelation of the related items and the opinions of the board of directors on the aforesaid items of the shareholders. There was no making of a related item that was in violation or non-compliance with the guidelines of the SEC.

6. In the annual general meeting of the shareholders on the appointment of the directors, the shareholders shall vote to elect the directors on an individual basis.

Chapter 3 Role of Stakeholders

The Company gives priority on the supervision and consideration of the stakeholders in all groups inside and outside the Company are the shareholders, directors, employees, customers, trading partners, creditors, competitors, and other agencies that the Company has implemented internal and external activities. It includes a responsibility towards the society and the environment, as well as the public sectors with the guidelines on the stakeholders are as follows:

A. The shareholders.

The Company shall perform the duty with loyalty, honesty, and equity. It has determined to create growth for the shareholders to receive sustainable returns from the results of its operations. The Company has treated the shareholders equitably according to the good governance principle on the chapter of the rights of the shareholders and their equitable treatment. The Company has provided its website: www.gel.co.th as a channel for the shareholders or the vested interests can contact or complain about the matter that can cause damage to it.

The investors can study more information about the company from annual registration statement 2013 (Form 56-1) shown on www.sec.or.th or the Company's website www.gel.co.th

B. Employees

The company realizes the importance of the staff. Because employees are the key success factors for achieving the goals of the company. The company has a clear policy on the development of the company. Training has developed a thorough knowledge of at least six hours each per year for employees who have been trained. To improve the ability of employees constantly. Provide opportunities for advancement. In 2017, trainings were provided to employees on average of 7.5 hours per year. The Company arranged both internal and external trainings according to plan in total of

26 courses and 57 additional courses from the targeted plan. This is 100 percent increase when comparing with the training courses provided between 2016 and 2017.

The Company has set up the Organizational Safety, Health and Environment Committee by providing training to the committees to supervise and notify the information concerning the working safety and the environment, including preventing from accidents while working, so the employees can implement correctly. It has provided safety equipment that is suitable to the job characteristics together with good fringe benefits and the employment conditions that are suitable to the market situation for the employees to have good ethics.

The Company's policy is clear and concrete information about the compensation and benefits, employee health insurance plan. The disclosure to employees via the company's website.

The company established a fund for employees in order to show that the company has taken care of all the employees in the long term as a noun.

Offering the fair compensation return

The Company has regularly reviewed employee compensation and benefits to ensure that the compensation of the company at a competitive level in the same industry. It also coordinates the welfare policy of affiliated companies in the same direction. In addition, the Nomination and Remuneration Committee has been established to approve the principle and guidelines related to compensation is in the same direction throughout the organization and in line with the Company's strategy.

In response to be the Company's strategy in the order to expand the business, develop the potential of employees to help drive the company to be the front line of business. Human Resources Department has recruited high potential employees (Talent) according to the succession plan and the compensation return structure and welfare system are internationally accepted for the employees to ensure that the compensation and benefits for employees are consistent with the pay system. It can also compete in the same industry.

- Provide appropriate welfare for employees.

Employees of the Company Also get other benefits. To reduce the cost of living, reduce worries. It also promotes the well-being of its employees to the family, the employees, and the health of the employees. This will be beneficial to the employees' lives and lives, and the welfare and welfare of all employees will be acknowledged. Through employee guides. The benefits can be classified into 5 main categories:

- 1) Benefits such as grants for employees Spouse of employees Or parent Or child's death Hard working
- 2) Welfare benefits such as emergency welfare loan Housing loan
- 3) Fund benefits such as provident fund. Social Security Fund
- 4) health and life insurance benefits, such as annual health check-ups, as needed by age and sex, group health insurance Accident insurance group
- 5) Employee welfare

The Company has a policy of respect for human rights. The law of equality is taken into account. Personal rights and freedoms It does not discriminate against employees because of differences in race, language, sex, age, disability,

physical condition, or health. Status of person Economic or social status Religious beliefs, education, training, or political opinions.

The Company sees the importance of health and well-being, safety, and work environment, therefore, the policies were announced as follow;

1. All facilities shall comply with the applicable law, rules and regulations in terms of safety, health and well-being and work environment.

2. The Company shall see the importance of safety, health and welfare of all employees whether in the workplace or other businesses employees and others related are working in.

3. Management system is not only responsible for accident precaution, sickness caused by work, and environmental protection but it includes resources preparation, necessary budget required to promote safety culture, health and well-being, work environment and complying with the agreed policy consistently.

4. Safety management, well-being and environment are some of the factors that improve the operations performance. Therefore, the Company is committed on the enforcement of safety, health and environment management system to identify, evaluate and control the occupational health and environmental concerns. The Company will continue to improve health and safety system by monitoring, investigating and reporting the progress and improvement as part of change assessment.

5. The considerations on any changes of the production, the Company will consider factors from the health and safety system as part of change assessment.

6. The Company is responsible for social responsibility and is committed to operate in an environmental friendly, consume raw materials valuably, and consume energy efficiently to reduce emission, waste management and reuse waste resourcefully.

7. The health and safety monitoring system will operate continuously and identify items that do not meet the stated requirements to find alternative improvements.

8. The Company will apply the excellency in health and safety to the organization and ensure that all employees are contributed in all activities such as trainings, and examining by providing consultancy and facilitate appropriately.

9. All employees, contractors and subcontractors are accountable to comply with the stated rules and regulations in terms of health and safety in the workplace and environmental friendly.

The Company is committed to operate environmental and take into account that the community and social environment live together optimistically for the sustainable growth. The environmental good governance policy was announced on 18 March 2014 to notify all employees, community in the area that that Company will strictly comply with the good governance policy and has passed the environmental good governance assessment on 19 September 2016.

Number and Accident Rate of Employees in 2018

	Bangkadee Plant			Chiangraknoi Plant			Total number		
	Female(s)	Male(s)	Total	Female(s)	Male(s)	Total	Female(s)	Male(s)	Total
1. Number of work injuries (people)	1	5	6	-	-	-	1	5	6
2. Number of accidents (people)	-	1	1	-	-	-	-	1	1

In the year 2018, the injury and death statistics of employees are 200,000 hours per year.

- The rate of injury or illness to stop work not more than 3 days is 6 persons.
- The rate of injury or illness to stop work more than 3 days but no death is 1 person.

The Company has provided a booth to listen any comments from employees, when they have seen unusual things or things should not, and send that comments directly to the Managing Director. The Company also provided e-mail address independentdirector@gel.co.th for any clue to independent director to avoid going through the Company.

1) Customers

The Company recognizes the importance of creating and ensuring customer satisfaction to get a quality products and services and fair prices. The Company has received comments and suggestions from customers to be reviewed and improved. Moreover, the company conducted a survey of customer satisfaction regularly. The company has developed products and system administration. ISO 9001-2008 certified quality system standard certification from ISO.

The company is committed to customer satisfaction and confidence to our customers. With an emphasis on caring and responsibility. It affects business success. By improving the quality and style of our products and services to meet the needs of customers at a fairly constant and consistent. To maintain a good relationship in the long term. The company has a customer satisfaction survey to receive feedback or complaints. And taken as a guide to improve services and better management. It also has a development staff to service customers. The trained and knowledgeable staff, both before and develop practical skills and knowledge to the employees continued. So that customers get the most out of the service and care offered to all customers equally. Whether clients are large, medium or small.

2) Partners

The Company recognizes the importance of partners as the people who are important in assisting the business operations of the Group. The Company adheres to the principle of equitable practices and competition that is fair to all business partners of the Company. Treat partners to adhere to the terms of the contract and the code of ethics of the company.

The company focuses on transparency and frankly, in business negotiations and enter into contracts with suppliers. The rewards are fair to both parties. Located on the rules, the decision by comparing terms of price, quality and services are transparent and verifiable. The aim is to develop and maintain a sustainable relationship.

3) Competitor

Policies and practices relating to its competitors. The company has a policy against commercial competitors under the rules of competition. Focus on conducting business in an ethical, transparent and fair competition. The company will match the quality of our products and reliable service to the competition. Honestly compete with rivals. The company will maintain a good relationship as a co-trader in the same industry. The Company has no disputes. In regards to competitors.

4) Creditor

The Company has committed to the agreement on trade creditors and financial institutions with responsibility for the liabilities of the Company. The Company treats creditors fairly. Throughout the course of its business, the Company and its creditors have always had a good relationship with each other.

5) Social / Community and Environment

The Company takes into account the social / community and environment. The laws and regulations in various fields, so it is not a disadvantage to society. The Company recognizes a responsibility to avoid noise pollution, dust on neighboring communities. A specialized agency for the environment closely. The eco-friendly

The company recognizes the value and the importance of contributing to society. And around the plant to improve classroom School toilets nearby Supporting sports goods Scholarships Children's Day activities and measuring the activity of a nearby major religious festival. Employees have donated blood to the Red Cross, two times a year every year.

Anti-corruption

The Company is in the process of enlisting in the declaration of the intent to join the Thailand's Private Sector Collective Action Coalition against Corruption (CAC) of the Thai Institute of Directors Association (IOD). Besides, the Company has assessed the opportunities for corruption to cover all kinds of frauds, e.g. fraudulent financial reporting, activities which lead to loss of assets, corruption, management override of internal control system, fraudulent change of significant information in reports, wrongful acquisition and use of assets, etc.

- The Board of Directors of the Company No. 3/2015 held on May 13, 2015. Passed a resolution to form a unified private practice in Thailand to fight corruption. The intention of the policy and defense have been involved in corrupt.
- Later in December 2016, the Company completed and submitted the self-evaluation tool version 2.0 in accordance with the regulations of the declaration of the intent to join the Thailand's Private Sector Collective Action Coalition against Corruption (CAC) in order to apply for certification. It is now under consideration. (Consideration takes a period of about 2 months from the date of submitting the self-evaluation tool to CAC.)
- On 18 August, 2017, the Company was certified as a member of the Collective Action Coalition against Corruption (CAC), which will last for 3 years. The Company is officially certified by the Thai Institute of Directors (IOD) on 21 November, 2017.



Anti-corruption Policy and Practices

The Company has arranged communication channels for all stakeholders to blow the whistle on, provide suggestions, or file complaints about fraud or corruption. Also the practices on gift-giving or receiving, acceptance of property or any other benefits, and hosting of receptions, have been established. The expenses which exceed the certain limit are not in compliance with the Company's criteria. Procurement process and donation-making must be in a transparent, fair, and in accordance with the Company's regulations and procedures.

The Company's handbooks on working rules and regulations have been distributed to all executives and all staff to ensure they will correctly understand and observe. They are also required to sign their names for acknowledgement and strict adherence to the working rules and regulations.

Whistle-blowing or Complaint Filing

The Company has appointed an executive to be directly responsible for complaint acceptance and a committee to mutually perform investigation in a correct and fair manner. The policy has been formulated to ensure efficient internal control system, and reporting on the basis of transparency and accountability so that whistle-blowers trust and be confident in the fair investigation process. In place is the policy on protection of whistle-blowers. In the case of the whistle-blowers who are the Company's employees, customers, or persons who are engaged by the Company, their right shall be protected by laws. Details on complaint filing are included in the corporate governance policy of the Company.

If stakeholders have any suspicions or find any suspicious activities in violation or in breach of laws, regulations, rules or business ethics, they can report clues or file complaints together with evidences to the Company's Joint Investigation Committee for fairness and equity of the Company

The major issues will be reported to the executives of the Company for consideration. The channel for communication is as follows.

The Joint Investigation Committee for fairness and equity of the Company
General Engineering Public Company Limited (Head Office)
44/2 Moo 2 Tivanont Road, Bangkadi, Muang Pathumthani, Pathumthani, 12000, Thailand
Telephone 0-2501-2020 (auto), 0-2501-2462, 0-2501-1055 (auto), 0-2501-2128-30
Fax 0-2501-2468, 0-2501-2134

Throughout the year, the Company did not have significant conflict with any group of stakeholders.

Chapter 4 Revelation of Information and Transparency

The Company gives priority to a disclosure of information sufficiently and transparently by defining it as the role and duty of the board of directors. In the disclosure of the information, it must be correct, complete, in time, and transparent on the finance, and other involved information so the shareholders and the vested interests can receive the information equitably via the information channel and communication by dissemination from the SET, the SEC, and the Company's Web site at www.gel.co.th.

Moreover, it has set up a unit to be responsible for supervising the job on the investor relations and secretarial job as its representative in communicating useful information to the shareholders, investors, securities analysts, and the involved persons. They can contact to inquire about the Company conveniently by the phone number 02-501-2020 ext. 775 , 333 and by fax at 02-501-2134

Measures to identify and trace the whistleblower protection mechanisms.

The company provides a channel for complaints both from third parties and employees. When a complaint is received, processed again. It also has taken measures to protect the confidentiality of the complainant.

1. A channel for complaints

The Company provides a way to identify or complaints in case of doubt to have committed unethical business of the Company. The offense includes behaviors that corruption poses to the very unequal through the following channels.

- (1) Managers or supervisors that they trust at all levels.
- (2) Good Corporate Governance Committee
- (3) Correspondence

Chief Executive Officer or Chairman of the Audit Committee.
Company General Engineering Co., Ltd. (Thailand)
44/2 Moo 2, Tivanon Road, Tambon Bangkadee, Aumpoe Muang,
Pathumthani Province 12000

(4) Email gel@gel.co.th

(5) Website www.gel.co.th

2. The action on the complaints received.

The Company has received or complaints then. The Company will monitor the process of gathering information. And the measures taken to mitigate the damage to those affected. With regard to the damage suffered by all. After those responsible for such matters, is responsible for monitoring performance. And report the results to the recipients' violations / complaint and violations / complaint about it. The report on the implementation of the President. Chief Executive of the Audit Committee and Board of Directors, respectively, depending on the case.

3. Protection measures

In order to protect the rights of the violations / complaints or who cooperated in the company would not disclose the name, address or any other information of violations / complaints or cooperated in the investigation to determine protective measures in case he saw that they might be unsafe or may be suffering damage The people who have suffered damage would be mitigated by damage. The process is appropriate and fair.

The parties confirmed that the company had committed unethical business policies against the corrupt. Disciplinary action will be determined by the Company. Or have been determined by relevant laws.

Chapter 5 Responsibility of the Board of Directors

The Company has realized about the importance of the role and duty of the board of directors toward it and its shareholders. The board of directors comprises the persons with knowledge, ability, skill and working experience from diverse fields, so it can perform the duty with effectiveness. The board must have leadership, vision, knowledge, ability, and various experiences, having loyalty, honesty and independence in decision-making for optimization of the Company and the overall shareholders. The board also has participated in setting the vision, goal, policy, operation direction, strategy, business plans, and the fiscal budget, including supervision for the management to perform according to the work plans and the set budget regularly. It shall follow up on the operations considering the legal principles, regulations and resolutions of the shareholders' meetings loyally, honestly, and ethically. It also shall supervise the administration of the management to comply with the targets and the guidelines for optimum benefits to the shareholders and sustainable growth of the organization.

Compliance with the principles of corporate governance on the other

- **Ethics**

The company has been in business for over 53 years, with an established reputation of the business. The Company is focused on the subject of business ethics. That represents honesty, credibility towards stakeholders. The company has activities. By managing to communicate on the subject of business ethics. Ethics and employees should have the Company's employees, suppliers, competitors together. Employees receive regular in addition, the company has a policy

prohibiting bribery and anti-corruption to the business interests of the Company. And let staff know in orientation of new employees into the company.

- **Conflict of Interest**

The Company has set up a policy so that its directors, the management and employees cannot take the opportunity from the employment to seek personal interest. It was approved by the board of directors in principle relating the trade agreements with the general trade conditions in dealing with the Company or its subsidiaries and the directors, the management or the involved persons. In case of qualifying as a related item under the notification of the SET, it has to comply with the guidelines strictly and disclose the information on it.

The Company has set up a prohibition to prevent from using an opportunity or information from being a director, the management or employee to seek a personal gain, or does business that competes with the Company or the related business. This includes preventing from using the inside information for personal benefit to transact the shares of the Company or give information to other people.

- **Intellectual property rights**

The Company recognizes the importance of intellectual property and copyright. The Company's policy not to infringe on the copyright or intellectual property rights of others. And let employees know the company. It will not copy, modify, or publicly. The intellectual property rights of others and constitutes a violation of the provisions of the law is strictly prohibited.

- **Measures to identify and trace the whistleblower protection mechanisms.**

The company provides a channel for complaints both from third parties and employees. When a complaint is received, processed again. It also has taken measures to protect the confidentiality of the complainant as follows;

1) A channel for complaints

The Company provides a way to identify or complaints in case of doubt to have committed unethical business of the Company. The offense includes behaviors that corruption poses to the very unequal through the following channels.

(1) Managers or supervisors that they trust at all levels.

(2) Good Corporate Governance Committee

(3) Correspondence

Chief Executive Officer or Chairman of the Audit Committee.

Company General Engineering Co., Ltd. (Thailand)

44/2 Moo 2, Tivanon Road, Tambon Bangkadee, Aumpoe Muang,

Pathumthani Province 12000

(4) Email gel@gel.co.th

(5) Website www.gel.co.th

2) The action on the complaints received.

The Company has received or complaints then. The Company will monitor the process of gathering information. And the measures taken to mitigate the damage to those affected. With regard to the damage suffered by all. After those responsible for such matters, is responsible for monitoring performance. And report the results to the recipients violations / complaint and violations / complaint about it. The report on the implementation of the President. Chief Executive of the Audit Committee and Board of Directors, respectively, depending on the case.

3) Protection measures

In order to protect the rights of the violations / complaints or who cooperated in the The company would not disclose the name, address or any other information of violations / complaints or cooperated in the investigation to determine protective measures in case he saw that they might be unsafe. or may be suffering damage The people who have suffered damage would be mitigated by damage. The process is appropriate and fair.

The parties confirmed that the company had committed unethical business policies against the corrupt. Disciplinary action will be determined by the Company. Or have been determined by relevant laws.

4) Internal Control System

The Company always places a particular emphasis on the internal control system at both managerial and operational levels. For the maximum efficiency in operations, the Company clearly determined the duties and authority of operational personnel and managerial personnel in writing, and also controls utilization of all assets in a useful manner. Personnel in charge of operation control are evidently separate from those responsible for performance evaluation. The Audit Committee was appointed to review the Company's internal control system and internal audit system in a suitable and effective manner. The independent internal auditors are responsible for monitoring and inspecting the internal control system, and reporting the inspection result to the Audit Committee to ensure that the key operations are efficiently performed in accordance with the established guidelines.

5) Risk Management

The Board of Directors appointed the Risk Oversight Committee and each member shall hold office for a term of 3 years. The Committee shall define the risk management policies and propose to the Board of Directors for consideration of the overall risk management in all aspects of operations. The Committee shall also supervise, review, and propose to the Board of Directors the policies and strategies on risk management and evaluation of overall risks to enable efficient implementation of risk management.

6) Report of the Board of Directors

The Audit Committee is responsible for reviewing the financial statements, and shall convene a meeting with the Accounting Department, the Finance Departments and the auditor in order to propose the financial statements to the Board of Directors every quarter. The Board of Directors is responsible for the financial statements of the Company, including the financial information that appears in the annual report (Report of the Board of Directors' Responsibility for Financial Statements). The financial statements are prepared according to the generally accepted accounting standards and certified by the Company's auditor. Essential information, financial and others, is completely and consistently disclosed based on the matters of fact.

7) The Board of Directors' Meeting

According to the Articles of Association of the Company, the meeting of the Board of Directors shall be organized at least every 3 months. Additional meeting may be summoned as necessary. The meeting notice shall be delivered to the directors not less than 7 days in advance of the date of meeting, except where urgent for the purpose of preserving the benefits of the Company. The agenda of each meeting shall be clearly prescribed and supplementary documentation for the meeting shall be sufficient and delivered to the directors in advance of the date of meeting in order for the directors to have enough time to study the information before attending the meeting.

The Chairman and the Chief Executive Officer shall mutually arrange the agenda and consider the matters that should be included in the agenda. Each director shall have opportunity to propose the matters for consideration to be included in the agenda. All directors shall openly discuss and express their opinions and the Chairman shall compile the opinions and made conclusions. A resolution of the Board of Directors' meeting shall be made by a majority of vote. A director shall have one vote. A director having an interest in a given matter shall not attend the meeting and/or have no right to vote on such matter. In case of an equality of vote, the Chairman of the meeting shall have a casting vote. Besides, the written minutes of the meeting shall be prepared after the meeting and the minutes of the meeting certified by the Board of Directors shall be kept and ready for the Board of Directors or related persons to examine.

Meetings of the Board of Directors

The meetings in 2018 is summarized as follows:

Board of Directors

Board of Directors	Times of the meeting
1. Prof. Dr.Borwornsak Uwanno	7/7
2. Mr. Sophon Pholprasit	6/7
3. Mr. Thitipong Tangpoonphonvivat	7/7
4. Dr. Tawat Anantanavanich	7/7
5. Mr. Wuttichai Sresthabutra	6/7
6. Mr. Suchat Boonbanjersri	6/7
7. Mr. Vichya Kreangam	7/7
8. Mrs. Pannee Jarusombat	6/7
10. Mr. Wirach Morakotkarn	7/7

Audit Committees

Audit Committee	Times of the meeting
1.Mr. Suchat Boonbanjersri	5/5
2.Mrs. Pannee Jarusombat	5/5
3.Mr. Vichya Kreangam	5/5

The Risk Management Committee

Risk Management Committee	Times of the meeting
1. Mr. Sophon Pholprasit	2/2
2. Mr. Thitipong Tangpoonphonvivat	2/2
3. Dr. Tawat Anantanavanich	2/2
4. Mr. Chainarin Sairungsri	2/2
5. Mrs. Wisadja Kochsena	2/2

Nomination & Remuneration Committees

Nomination and Remuneration Committee	Times of the meeting
1. Mr. Wirach Morakotkarn	2/2
2. Mr. Thitipong Tangpoonphonvivat	2/2
3. Mr. Vichya Kreangam	2/2

Corporate Governance Committees

Corporate Governance Committee	Times of the meeting
1. Mr. Vichya Kreangam	6/6
2. Mr. Wirach Morakotkarn	6/6
3. Mr. Wuttichai Sresthabutra	6/6
4. Mrs. Wisaja Kochsena	4/6

Executive Committees

Executive Committees	Times of the meeting
1. Mr. Thitipong Tangpoonphonvivat	11/11
2. Dr. Tawat Anantanavanich	10/11
3. Mr. Wuttichai Sresthabutra	8/11

Remuneration

The Company has transparently and clearly established the policy on remuneration of the directors. The remuneration rate is suitable for the duties and responsibilities of each director and sufficient for retaining the competent directors. The remuneration shall be approved by the annual general meeting of shareholders.

The remuneration of directors and executives shall be disclosed in accordance with the form specified by the Securities and Exchange Commission.

Developing the ability of directors

The Company has a policy to encourage the development of skills, continuous and adequate. Encouraged by the training courses or seminars. An increase in the performance of the Board as the training organized by the Thailand Institute of Directors (IOD). The Company has provided an orientation to take a position on the Board of Directors has acknowledged the company's business policy. As well as the duties and responsibilities of the board. And other committees As well as providing information The related annual report Policy Governance And Ethics In addition, the Company has provided a guide for directors, which gathers useful information for directors of listed companies. Such as the Companies Act 1992, the Securities and Exchange Act (No. 4) BE 2008. Corporate governance for listed companies. Guide listed companies, etc.

As at 31 December 2018, the Company's directors who passed the training programs organized by the Thai Institute of Directors Association and other training institution are as follows.

Training programs organized by the Thai Institute of Directors Association:

Name	Training Program	Training Institution
1. Mr. Wirach Morakotkarn	1. BNCP – Board Nomination and Compensation Programs 2. Board Matters and Trend (BMT)	The Thai Institute of Directors Association

Training program organized by other institution:

Name	Training Program	Training Institution
1. Mr. Thitipong Tangpoonphonvivat	Top Executive Program in Commerce and Trade: Class 11	University of Thai Chamber of Commerce

The Board of Directors self-assessment, Subcommittees self-assessment and Chief Executive Officer's self-assessment

The Board of Directors has evaluated the performance of the Board of Directors, Subcommittees and Chief Executive Officer with self-assessment and individual has been evaluated by the Board of Directors. For the Board to review the problem work and obstacles during the past year to improve performance.

The Board of Directors conducts the collective self-assessment on a yearly basis to allow all directors to jointly consider and review their performance, including problems and obstacles during the past year for further improvement and increase in efficiency.

the Company delivers the self-assessment form to all directors to assess the Board's performance before doing the self-assessment form (Briefing) because this is the self-assessment form for the listed company that newly initiated assessment. The company will provide an assessment at least once a year.

The process of evaluation as the following;

1. Performance evaluation of the Board of Directors, Subcommittee Self-assessment and individual (self-assessment), including the Chief Executive Officer (briefing) at least once a year.

2. The Company Secretary summarizes and presented the results of the performance evaluation of the Board of Directors, Subcommittee and Chief Executive Officer to the Board of Directors in order to consider the results of the evaluation and the guidelines for the improvement of operational efficiency.

The criteria and methods of evaluation are as follows.

Meaning

Calculating (percent)	Level
80 - 100	excellent
79 - 70	good
69 - 60	Average
59 - 0	Improvement

Methods

- Assessor: All Directors
- This form evaluates scoring method for allow the evaluation to compare the results of each topic or compare the results of each year. The meaning of rating is as follows

0 = strongly disagree Or no action on that issue

1 = disagree or take action on that matter

2 = agree or take action on that matter fairly

3 = quite agree Or have a good deal on it.

4 = strongly agree Or have a great deal about it.

The scoring details are as follows:

Details	Number of Topics	Score
1. The structure and qualifications of the Board in the following matters are appropriate make the work of the board effective.	9	36
2. The Board of Directors' meeting was held on the following issues in order for the Board to perform its duties effectively.	6	24
3. Roles and responsibilities of the Board have featured take into consider, review and action in the following matter in sufficient detail.	12	48
4. The other	2	8
Total	29	116

The scoring details for the Audit Committee are as follows;

Details	Number of Topics	Score
1. The structure and qualifications of the Board in the following matters are appropriate and perform effectively.	7	28
2. The subcommittee's meeting was held in the following matters, in order to perform their duties in the meeting effectively.	6	24
3. Roles and responsibilities of the subcommittee emphasizes on the importance of considering, reviewing and following up in the following matters effectively.	7	28
Total	20	80

The scoring details for the Board of Directors are as follows;

Details	Number of Topics	Score
1. The structure and qualifications of the Board in the following matters are appropriate and perform effectively.	7	28
2. The subcommittee's meeting was held in the following matters, in order to perform their duties in the meeting effectively.	6	24
3. Roles and responsibilities of the Board of Directors	5	20
Total	18	72

The scoring details for the Good Corporate Governance Committee and Risk Management Committee are as follows;

Details	Number of Topics	Score
1. The structure and qualifications of the Committee in the following matters are appropriate and perform effectively.	7	28
2. The subcommittee's meeting was held in the following matters, in order to perform their duties in the meeting effectively	6	24
3. Roles and responsibilities of the subcommittees emphasizes on the importance of considering, reviewing and following up in the following matters effectively.	5	20
Total	18	72

The scoring details for the Nomination & Remuneration Committee are as follows;

Details	Number of Topics	Score
1. The structure and qualifications of the Committee in the following matters are appropriate and performs effectively.	7	28

Details	Number of Topics	Score
2. The subcommittee's meeting was held under the following matters, in order to perform their duties effectively.	6	24
3. Roles and responsibilities of the subcommittees emphasizes on the importance of considering, reviewing and taking action in the following matters effectively.	6	24
Total	19	76

The scoring details for the Chief Executive Officer are as follows;

Details	Number of Topics	Score
1. Leadership	6	24
2. Strategy	6	24
3. Pursuing strategy	6	24
4. Planning and financial performance	6	24
5. Relationship with the Board of Directors	6	24
6. Relationship with others	5	20
7. Management and relationship with employees	6	24
8. Succession	3	18
9. Knowledge on products and services	4	16
10. Personal features	6	24
Total	54	222

After the Board of directors have completed the assessment, therefore, the Board of Directors will be proposed to the Board of Directors for acknowledgment or comparison within the first quarter of next year.

The assessment of the Board of Directors, subcommittee, and Chief Executive Officer for the year 2018 has been concluded and presented to the Board of Directors' Meeting 1/2019 on 26 February 2019. This is to highlight the performance of the Board of Directors, subcommittee and Chief Executive Officer for the year 2018. Details are as follows;

- The Board of Directors gained total score of 98.68% from the assessment, which is ranked at "excellent" level, and the score increased from 2017 as follows;

Assessment result for the Board of Directors	2018	2018
Percentage	98.38%	96.17%

- The Audit Committee has an overall score of 98.75%, which ranked as “excellent”.
- The Board of Directors has an overall score of 96.30%, which ranked as “excellent”.
- The Corporate Governance Committee has an overall score of 99.31%, which ranked as “excellent”.
- The Risk Management Committee has an overall score of 92.78%, which ranked as “excellent”.
- The Nomination & Remuneration Committee has an overall score of 97.81%, which ranked as “excellent”.
- The Chief Executive Officer has an overall score of 98.15%, which ranked as “excellent”.

Sustainability (Sustainability Development)

In the year 2019, the Company plans to establish a program to develop potential, knowledge, skill, work skills of the employees. The company has therefore initiated the concept of establishing the organization under the name "GEL Academy", which aims to be a learning organization, transferring, recording and expanding from people with all stakeholders to contribute to the sustainable development of the Company's business operations.

10. Corporate Social Responsibilities: CSR

At GEL, we are always fully aware of Corporate Social Responsibilities at all times. CSR is fully instilled in the entire parts of our organization ranging from Company policy level to all of the operational levels. We believe that business organization, consisted of hundreds of employees and a group of stakeholders, is just one of the small parts in the society comparing to the number of population in the whole country. We also believe that if each organization runs its business with the fully Corporate Social Responsibilities integration, it can be the effective alliance striving significantly for the long-term and sustainable development for both communities level and nationwide.

To implement the Corporate Social Responsibilities program, GEL's board of directors approved the CSR policy which covered all of aspects as appropriated and align with each of business type. It started with main internal business unit since the company commencement. Safety, Occupational Health and Working Environment Policy for employees and contractors was the first priority that we focused. It was designed to be the mandatory policy enhancing the energy saving and environmental activities.

In Year 2018, GEL continuously maintained both of the long-term and continuous CSR projects in order to keep the society and community developed.

Social, Community and Environmental Policy and framework

GEL emphasized on running sustainability growth business together with the development of society, community, environment and quality of life. With totally CSR realization, GEL promoted CSR policy in all level of our organization ranging from Company policy level to all of the operational levels. It was being actively implemented in every parts of GEL. We believe that the business operation with the Corporate Social Responsibilities integration is one of the important factor which drives for the sustainable development for both communities level and nationwide. In 2014, GEL was granted for the first place of Green Industry certification from the Ministry of Industry, Pathumthani province. GEL was also granted for the certificate of Environmental Good Governance from the Ministry of Industry and the official license as GEL abided by the standard of factory environmental management in practical such as particulate matter/dust control in plant, construction scrap materials elimination and solid waste disposal.

GEL takes the CSR program as an important role and responsibility in promoting and arranging the wide range of beneficial activities in order to support the program always. GEL continuously organized the certain activity including the periodically activities as appropriate and required by the society. The activities were covered both of the benefit for macro-community level and operational level which can demonstrate GEL's goal obviously in rewarding the society continuously every year.

The company focuses on businesses that are environmentally friendly, social responsibility, taking into account the coexistence with society and the community at the same time for sustainable development which has announced the policy on Environmental Governance Industrial establishments on 18 March 2014 by employees as well as nearby communities, which the company has strictly adhered to the environmental governance policy Industrial establishment And passed the assessment of good governance from the Ministry of Industry on 19 September 2017

In 2018 the Company activities are organized to benefit society and the environment as follows.

1) The National Children's Day gift activity



General Engineering Public Company Limited by Human Resource Development donated the presents to Wat Bangkudeethong School and Wat Bangkadee School due to the National Children's Day 2018.

2) Blood Donation Activity





General Engineering Public Company Limited arranged the blood donation campaign on 27th September 2018 which will help to support patients in Thai Red Cross Society.

12. Related transaction

The company has set the rules and conditions of the related transaction. According to the rules of the Capital Market Supervisory Board has set the Notification No. Tor Chord. 21/2008 Re: Rules on Connected Transactions. The Company will consider the type of related transaction, value of related transaction and disclosure to the Stock Exchange Approved by the Board of Directors and Audit Committee or through the approval of the shareholders (at the case may be) strictly. The Company has revealed details of the related transaction in an annual report by the related transaction was done unjustly, market prices and in accordance with normal commercial business (Fair and at arm's length) and identifying the need and reason.

The related transactions of the Company and its subsidiaries with related companies during the year 2017 – 2018 as follows.

■ Items related to the subsidiary companies

Related person	Relationship	Type	Consolidated (Thousand Bath)		Separate (Thousand Bath)		Nature of transaction	Pricing policy
			2018	2017	2018	2017		
Metric Public Company Limited	Associated that the Company holds 32.65 percent.	Revenue from sale and services and other	3,306	20,451	3,306	20,451	Revenue from sale of steel and ready-mix Cement.	Market Price
		Trade accounts receivables	9,642	1,684	9,642	1,684	Trade accounts receivables.	Contract price
		Other purchase –construction	98,062	158,409	2,490	100,656	The plant construction at Chiang Rak Noi.	
		Construction payable	49,599	22,839	-	-	Payables for plant construction	
		Other payable	7,663	10,482	7,663	7,708	Guarantee the construction of the plant	
		Other receivables	1,326	453	-	-	Overtime debtors	
		Deposit for construction	-	1,420	-	-	Deposit for construction	
		Retention	5	-	-	-	Advance received for goods	
Seven Wire Company Limited	Subsidiaries, holds 99.99 percent.	Rental income	-	-	5,000	5,000	Land rental income	Negotiated price
		Other service	-	-	-	9,544	Management fees	Negotiated price
		Revenue from sale and services and other	-	-	14,405	9,086	Revenue from sale of steel and concrete pile	Market Price
		Purchase of raw material	-	-	43,123	-	Purchase of steel	Market Price
		Interest income	-	-	71	-	Loan	MLR -0.50 percent p.a.
		Interest expense	-	-	13,250	14,986	Loan	MLR -0.50 percent p.a.
		Account payable	-	-	13,872	-	Purchase of steel	
		Other receivables	-	-	4,782	7,863	Other receivables (land rental, book value, advance payment)	
		Loans and accrued interest expense	-	-	202,869	262,005	Loans and accrued interest	
		Trade Accounts receivable	-	-	-	3,800	Trade Accounts receivable	
General Engineering Mauritius Company Limited	Subsidiaries, holds 100 per cent.	Other receivables	-	-	1,568	1,022	Advances to establish a company Advance for management fees.	

Related person	Relationship	Type	Consolidated (Thousand Bath)		Separate (Thousand Bath)		Nature of transaction	Pricing policy
			2018	2017	2018	2017		
General Nippon Concrete Industries Company Limited	Subsidiaries, holds 82.50 per cent.	Revenue from sale and services and other	-	-	5,110	8,703	Sale of prestressed pile products and management fee	Market Price
		Other service	-	-	-	3	Other service income	Negotiated price
		Gain from sale land	-	-	-	29,848	Gain from sale land	Negotiated price
		Trade Accounts receivable	-	-	85	4	Sales of special cement	
		Other receivables	-	-	1,563	255	Management fee	
		Interest income	-	-	120	-	Loan	MLR -0.50 percent p.a.
		Interest expenses	-	-	19	-	Loan	MLR -0.50 percent p.a.
Millcon Steel Public Company Limited	Invested company	Revenue from sales	-	2,226	-	2,226	Sale of prestressed pile products, steel	market price
		Trade accounts receivable	-	-	-	-	Purchase of Steel	market price
		Purchase of raw materials	91,846	148,465	91,846	148,465	Purchase of Steel	
		Trade accounts payables	13,740	41,994	13,740	41,994	Purchase of assets (land)	
		Other payable	-	272	-	272	Trade accounts payables	
		Other receivables	-	1,494	-	1,494	Other receivables	
Suntech Metals Company Limited	Invested company's subsidiary	Purchase of raw materials	4,578	4,108	4,578	4,108	Purchase of Steel	market price
		Trade accounts payables	1,529	1,366	1,529	1,366	Purchase of Steel	
Kobelco Millcon Steel Company Limited (Formerly "Millcon Special Steel Company Limited")	Invested company's associate	Other payable	133	-	-	-	Construction cost	Contract price
		Account payable	35,475	-	-	-	Construction cost	
IGEN Engineering Company Limited.(Formerly "Zentra - Watung Engineering Company Limited.")	Invested company's associate	Construction cost	23,611	-	-	-	construction cost	Contract price
		Deposit for construction	-	1,221	-	-	Deposit for construction	
		Other payable	1,405	263	-	80	Warranty repair machine	
		Construction payable	4,178	17,893	-	-	Construction cost	
		Other service income	51	-	-	-	Utilities fee	
Millcon Steel Pipe Company Limited	Invested company's subsidiary	Purchase of raw materials	20,388	15,669	20,388	15,669	Purchase of steel	market price
		Trade accounts payables	4,614	3,334	4,614	3,334	Purchase of steel	

Related person	Relationship	Type	Consolidated (Thousand Bath)		Separate (Thousand Bath)		Nature of transaction	Pricing policy
			2018	2017	2018	2017		
Millcon Thiha Company Limited	Invested company's subsidiary	Revenue from sale and services and other	285	4,027	285	4,027	Sales of special cement products	market price
		Trade accounts receivable	70	767	70	767	Sales of special cement products	
		Advance received	-	21	-	21	Advance received	
		Retention receivables	975	988	975	988	Retention receivables	
		Other payable	-	5	-	5	Commission	
Saharum Construction Materials Company Limited	Invested company's subsidiary	Purchase of raw materials	5,266	2,219	5,266	2,219	Purchase of steel	market price
		Trade accounts payables	-	275	-	275	Purchase of steel	
Complete Transport Company Limited	Invested company's associate	Transportation	18,106	9,013	18,106	9,013	Transportation	market price
		Trade accounts payables	1,210	714	1,210	714	Transportation	
IBCI – Mctric Joint Venture	Associate's joint venture	Revenue from sale and services and other	2	6,876	2	6,876	The sale of Cement products and steel products	market price
		Trade Accounts receivable	-	4,131	-	4,131	Trade Accounts receivable	

Note: related transactions are disclosed in the notes of the financial statements in Article 7 Transactions with related persons and companies.

12.1 Measures or procedure to Approve Related Transactions

To protect investors in case of the company's carrying out of, related transactions with the person possibly causing a conflict of interest in the future, the company will have the transaction types, prices and conditions of each party arranged clearly for the account auditor to check and disclose them in the Notes to Financial Statements. In regard to the normal related transaction, i.e., rising earlier and related to the company's main business, and /or the transactions that might cause conflict of interest, the Audit Committee shall check the justification and reasonability of the transactions and report its opinions to the meeting of the Board of Directors.

In case of the company's committing any unordinary business transaction or the transaction not in relation to the company's main business and possibly causing the conflict of interest, the company will ask the Audit Committee to make a preliminary check prior to issuing the approval. The company shall arrange for the meeting of the Board of Directors attended by the Audit Committee to take the related transaction into consideration for fair practice and at proper pricing policy, in which the Directors with interest in that related transaction shall not have the voting right onto such transaction. Should the Audit Committee do not have the skills in considering any related transaction, the company will ask an independent expert or its account auditor to give opinions on the issue and submit the resulting report to the Board of Directors or shareholders as deemed appropriate.

12.2 Policies and Trends of the Related Transactions in the Future

The company is adopting the earlier mentioned policy of the related transactions and shall abide by it in the future. As for a related transaction for normal business practices, the company will stipulate the price and conditions clearly and comparable to those of other firms and the company shall ask for the Audit Committee to take the matter into consideration and give opinions in regard to the properness of prices and reasonable actions of the transaction.

The related transactions to arise in the future shall conform to the laws of Securities and Securities Exchange of Thailand and the regulations, announcements, orders, or requirements of the Securities Exchange of Thailand, including the regulation on the disclosure of the related transaction and the company or subsidiary's acquisition or disposal of important assets and in accordance with the accounting standard stipulated by the Accountant Association

13. Important Financial Information

1) Financial Statements

Summary of Audit Report Year 2018

Opinion

In the Report of Independent Auditor for the financial statements of year 2018, Mr. Teerasak Chuasrisakul, Certified Public Accountant No. 6624, from Grant Thornton Company Limited, the auditor, stated his qualified opinion that “the consolidated financial statements as at 31 December 2018 include investment in overseas joint venture accounted for under the equity method of Baht 150.42 million, and share of loss from joint venture under the equity method for the year then ended of Baht 14.74 million. These financial statements are based on financial information compiled by the management of such overseas joint venture which have not been audited by their auditor. I was unable to obtain sufficient appropriate audit evidence about the carrying amount of investment in overseas joint venture and the Company’s portion of loss for the year of overseas joint venture. Consequently, I was unable to determine whether any adjustments were necessary.”

Impairment of investment in associated company

As at 31 December 2018, the consolidated and separate financial statements, investment in associated company presented amounting to Baht 158.34 million and Baht 166.59 million, respectively. Such investment indicated that recoverable amount is lower than carrying amount.

Impairment testing

Impairment testing for year 2018, the management Tested calculation for the purpose of the annual impairment testing, the recoverable amount of Metric Public Company Limited operation was determined based on fair value less cost of disposal. The recoverable amount is higher than carrying amount of investment in consolidated and separate financial statements. However, it is uncertainty, the Company has not reversed allowance for impairment of investment in associated company.

Revenue recognition

In the consolidated and separate financial statements recognized revenue from sales and services for the year ended 31 December 2018 amounting to Baht 1,948.01 million, respectively. The main revenue comes from pre-stressed concrete pile, precast concrete, and services of that products.

I have focused on revenue recognition since each of the agreements are different in terms of scope and the delivery period which could impact the amount and timing of revenue recognition. (Refer to Note 4.4 to the financial statements)

Other Information

- Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.
- My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.
- In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
- When I read the annual report, if I conclude that there is a material misstatement therein, I am required to request management and those charged with governance to correct the material misstatement.

Summary of Audit Report Year 2017

Opinion

In the Report of Independent Auditor for the financial statements of year 2017, Miss Sansanee Poolsawat, Certified Public Accountant No. 6977, from Grant Thornton Company Limited, the auditor, stated his unqualified opinion that the consolidated financial statements and the separate financial statements, including the statements of financial position as at 31 December 2017, the statements of income and the statements of comprehensive income, the statements of changes in shareholders' equity and the statements of cash flows for the year then ended, as well as the notes on summary of significant accounting policies and other explanatory information of the Company and its subsidiaries, were fairly presented in all material respects according to the generally accepted accounting standards.

Significant Matters from Audit

Impairment of investments in associated company and joint venture

As at 31 December 2017, the consolidated and separate financial statements, investments in associated company and joint venture presented amounting to Baht 305.57 million and Baht 344.25 million, respectively. Such investment indicated that recoverable amount is lower than carrying amount.

Based on impairment testing in 2017, an impairment loss on investment of Baht 19.04 million was recognised in the separate statement of profit or loss.

Revenue recognition

In the consolidated and separate financial statements recognised revenue from sales and services for the year ended 31 December 2017 amounting to Baht 1,762.47 million and Baht 1,779.93 million respectively. The revenues primarily from sale of concrete pile, girder, electric concrete pole, precast concrete wall and, and construction and installation services for such products.

I have focused on revenue recognition since each of the agreements are different in terms of scope and the delivery period which could impact the amount and timing of revenue recognition.

Other Information

- Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.
- My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.
- When I read the annual report, if I conclude that there is a material misstatement therein, I am required to request management and those charged with governance to correct the material misstatement.

Summary of Audit Report Year 2017

Opinion

In the Report of Independent Auditor for the financial statements of year 2016, Mr. Somkid Tiatragul, Certified Public Accountant No. 2785, from Grant Thornton Company Limited, the auditor, stated his unqualified opinion that the consolidated financial statements and the separate financial statements, including the statements of financial position as at 31 December 2016, the statements of income and the statements of comprehensive income, the statements of changes in shareholders' equity and the statements of cash flows for the year then ended, as well as the notes on summary of significant accounting policies and other explanatory information of the Company and its subsidiaries, were fairly presented in all material respects according to the generally accepted accounting standards.

Significant Matters from Audit

Impairment of Investments in Joint Venture

The Company has invested in a joint venture registered in Singapore in the amount of 174 million Baht, accounting for 3% of the total assets, which is significant to the Company's consolidated financial statements and the separate financial statements. The joint venture has investments in a subsidiary registered in the Republic of the Union of Myanmar. The Company has not received any returns from such amount of investments because the subsidiary that the joint venture has invested in has just started the operations and still has loss from operations, leading to impairment of assets. As a consequence, the Company is required to test the impairment of assets in accordance with the financial reporting standards. The process for assessment of asset impairment is complicated and needs the judgment of the management. It depends on several assumptions, especially the assumptions on determination of the net cash inflow in the future and the discount rate affected by the economic conditions and marketing situation in the future, particularly in Singapore and the Republic of the Union of Myanmar.

Audit Summary

The auditor took into account the criteria the management used to consider that there was no impairment of investments, and tested the calculation of future returns at the discount rate in order to compare with the present value of investments. The auditor reviewed the rationale of the assumptions and the methods used by the management, especially forecast of the growth of income and gross profits of the subsidiary invested by the joint venture, and gave importance to adequate disclosure of information of such subsidiary.

Other Information

The management is responsible for other information in the annual report, but not including the financial statements of the Company and the Report of Independent Auditor therein. The management anticipated that the annual report would be prepared for my review after the date in the Report of Independent Auditor.

The auditor's opinion about the consolidated financial statements and the separate financial statements does not cover other information and I do not give assurance about other information.

After reviewing the annual report, if any material misstatement is found, the auditor shall inform it to the responsible person of the Company for further correcting such misstatement.

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS OF DECEMBER 31

(Unit :

Thousand Baht)

	Consolidated F/S			Separate F/S		
	2018	2017	2016	2018	2017	2016
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	38,430	29,756	58,517	37,962	17,995	55,366
Fixed deposits	-	-	50,001	-	-	50,001
Trade accounts receivable-net	438,831	425,225	514,657	438,438	437,716	516,561
Retention receivables - current portion						
due within one year	13,991	16,707	-	13,991	16,707	-
Inventories - net	602,050	477,156	387,558	528,980	477,156	387,558
Other current assets	82,530	40,620	21,753	29,210	22,701	20,986
Total Current Assets	1,175,832	989,464	1,032,486	1,048,581	972,275	1,030,472
NON - CURRENT ASSETS						
Restricted deposits with banks	-	27,930	65,100	-	27,930	65,100
Retention receivables	67,248	30,841	45,375	67,248	30,841	45,375
Investments in available - for - sales securities	1,206,768	1,284,624	1,147,159	1,206,768	1,284,624	1,147,159
Investments in subsidiaries	-	-	-	-	445,337	280,337
Investments in associated company and joint venture	308,761	305,572	389,393	344,250	344,250	363,294
Property, plant and equipment – net	2,929,885	2,558,585	2,084,322	1,682,647	1,705,585	1,585,994
Software program in progress	9,437	9,241	4,521	9,437	9,241	4,521
Investment property	996,627	996,627	996,627	1,289,347	1,289,347	1,289,347
Deferred income tax assets	22,900	15,439	26,425	21,627	4,859	32,461
Income tax withheld at sources	5,430	6,840	26,582	5,160	6,690	26,582
Other non - current assets	1,202	3,921	2,508	1,202	1,992	2,508
Total Non - Current Assets	5,548,258	5,239,620	4,788,012	5,073,023	5,150,696	4,842,664
TOTAL ASSETS	6,724,090	6,229,084	5,820,498	6,121,604	6,122,971	5,873,150

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS OF DECEMBER 31

(Unit : Thousand Baht)

	Consolidated F/S			Separate F/S		
	2018	2017	2016	2018	2017	2016
LIABILITIES AND SHAREHOLDERS' EQUITY						
CURRENT LIABILITIES						
Short - term loan from financial institution	292,736	40,682	119,213	203,496	29,458	1,173
Trade accounts payable - general suppliers	624,661	470,904	479,901	515,745	393,374	405,325
Advances received - general customers	100,367	100,611	75,275	100,367	100,611	75,275
Advances received - related company	-	21	2,585	-	21	2,585
Current portion of liabilities under finance lease agreement	264	239	127	264	239	127
Current portion of long - term loans from financial institution	193,500	432,979	78,000	111,600	386,679	78,000
Employee benefits obligation	1,461	4,553	3,150	1,461	3,377	3,150
Loan payable and accrued interest expense - subsidiary company	-	-	-	202,870	262,005	261,940
Other current liabilities	12,438	9,870	7,349	12,065	9,687	7,345
Total Current Liabilities	1,225,427	1,059,859	765,600	1,147,868	1,185,451	834,920
NON - CURRENT LIABILITIES						
Liabilities under finance lease agreement - net	452	728	492	452	728	492
Long - term loans from financial institution - net	815,819	277,105	206,109	191,309	-	206,109
Employee benefits obligation	36,322	27,626	27,212	34,339	26,437	27,212
Other non - current liabilities	59	59	11	59	59	11
Total Non - Current Liabilities	852,652	305,518	233,824	226,159	27,224	233,824
TOTAL LIABILITIES	2,078,079	1,365,377	999,424	1,374,027	1,212,675	1,068,744

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS OF DECEMBER 31

(Unit : Thousand Baht)

	Consolidated F/S			Separate F/S		
	2018	2017	2016	2018	2017	2016
LIABILITIES AND SHAREHOLDERS' EQUITY						
(Continued)						
SHAREHOLDERS' EQUITY						
Share capital - Common shares						
- 5,397,877,189 shares 0.85 Baht in 2017						
- 6,890,064,215 shares 0.85 Baht in 2015 and 2016	4,588,196	4,588,196	5,856,555	4,588,196	4,588,196	4,588,196
Issued and fully paid-up share capital						
- 5,397,877,189 shares 0.85 Baht in 2017						
- 5,562,877,189 shares 0.85 Baht in 2015 and 2016	4,588,196	4,588,196	4,728,445	4,588,196	4,588,196	4,588,196
Capital surplus - Common shares	71,131	71,131	71,131	71,131	71,131	71,131
Capital surplus - Treasury shares	49,179	49,179	-	49,179	49,179	49,179
Retained earnings						
- Appropriated for legal reserve	13,600	13,600	13,600	13,600	13,600	13,600
- Appropriated for treasury shares	-	-	91,070	-	-	91,070
- Unappropriated	(46,125)	102,415	113,424	83,336	183,772	183,772
<u>Less</u> Treasury shares - Common shares						
(165,000,000 shares, Baht 0.55 par value)	-	-	(91,070)	-	-	(91,070)
Other components of shareholders' equity	(62,099)	4,447	(105,526)	(57,867)	4,418	(105,554)
Equity attributable to the Company's shareholders - net	4,613,883	4,828,968	4,821,074	4,747,576	4,910,296	4,804,406
Non - controlling interests	32,128	34,739	-	-	-	-
Total Shareholders' Equity	4,646,011	4,863,707	4,821,074	4,747,576	4,910,296	4,804,406
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	6,724,090	6,229,084	5,820,498	6,121,604	6,122,971	5,873,150

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEARS ENDED 31 DECEMBER

(Unit : Thousand Baht)

	Consolidated F/S			Separate F/S		
	2018	2017	2016	2018	2017	2016
REVENUES						
Revenues from sales	1,948,014	1,762,468	1,585,605	1,648,024	1,779,933	1,585,605
Other income	28,148	23,351	22,551	45,569	38,228	25,259
Gain on disposal assets	-	280	-	-	30,129	-
Dividend income	2,409	-	68,271	2,409	-	87,863
Gain on disposal of other investment	42,000	-	-	42,000	-	-
Share of profit from investments in associated company and joint venture	8,510	(84,580)	4,823	-	-	-
Gain on exchange rate	462	2,243	23	266	-	13
Interest income	152	743	2,692	302	701	2,832
Total Revenues	2,029,695	1,704,505	1,683,965	2,038,570	1,848,991	1,701,572
EXPENSESE						
Costs of Sales	(1,913,979)	(1,612,479)	(1,428,304)	(1,912,095)	(1,626,291)	(1,428,305)
Selling expenses	(47,282)	(52,764)	(37,916)	(47,087)	(52,764)	(37,917)
Administrative expenses	(145,984)	(117,166)	(92,533)	(115,882)	(98,091)	(90,180)
Loss on disposal of investments in in associated company					(19,043)	
Gain on exchange rate		-	-		(152)	-
Management benefit expenses	(23,812)	(26,190)	(25,053)	(23,812)	(26,191)	(25,052)
Total Expenses	(2,131,057)	(1,808,600)	(1,583,806)	(2,098,876)	(1,822,532)	(1,581,454)
Profit before Finance costs and income tax	(101,362)	(104,095)	100,158	(60,306)	26,459	120,118
Finance costs	(41,935)	(16,338)	(17,577)	(41,327)	(31,258)	(20,016)
Income tax benefit (expense)	(8,910)	14,718	1,450	1,197	(1,900)	(942)
Profit for the year	(152,207)	(105,715)	84,032	(100,436)	(6,699)	99,160

	Consolidated F/S			Separate F/S		
	2018	2017	2016	2018	2017	2016
Other comprehensive income for the year						
Unrealized gain (loss) on valuation of available - for - sales securities - net of tax	(62,285)	109,972	206,318	(62,285)	109,972	206,318
Translation adjustments for foreign currency financial statements	(4,260)	1	13	-	-	-
Total	(66,545)	109,973	206,331	(62,285)	109,972	206,318
Actuarial loss - net of tax	1,057	2,617	-	-	2,617	-
Actuarial gains from investments in associated company - net of tax	-	758	-	-	-	-
Total comprehensive income for the year	(214,695)	7,633	290,363	(162,720)	105,890	305,478
Attribution of income for the year :						
Portion of the Company's shareholders	(149,597)	(105,454)	84,032	(100,436)	(6,699)	99,160
Portion of non-controlling interests in subsidiary	(2,610)	(261)	-	-	-	-
	(152,207)	(105,715)	84,032	(100,436)	(6,699)	99,160
Attribution of comprehensive income for the year :						
Portion of the Company's shareholders	(215,085)	7,894	290,363	(162,720)	105,890	305,478
Portion of non-controlling interests in subsidiary	(2,610)	(261)	-	-	-	-
	(217,695)	7,633	290,363	(162,720)	105,890	305,478
Basic earnings per share						
Profit (Baht per share)	(0.02771)	(0.01954)	0.01529	(0.01861)	(0.00124)	0.01804

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2018 2017 and 2016

(Unit : Thousand Baht)

Consolidated

Consolidated	Equity attributable to the Company's shareholders												
	Other components of shareholders' equity												
	Issued and paid-up share capital	Premium on share capital	Capital surplus on share reduction and issued new share capital	Retained earnings			Treasury shares- Common shares	Unrealized gain(loss) on valuation of available - for - sales securities	Translation adjustments for foreign currency financial statements	Total	Total Equity attributable to the Company's shareholders	Non - controlling interests	Total
				Legal reserve	Appropri atd for treasury shares	Unappropriated							
Balance as at 1 January 2016	4,728,445	71,131	-	8,600	-	125,462	-	(311,871)	14	(311,857)	4,621,780	-	4,621,780
Share reduction from treasury shares	-	-	-	-	91,070,	(91,070)	-	-	-	-	-	-	-
Appropriation of legal reserve	-	-	-	5,000	-	(5,000)	-	-	-	-	-	-	-
Appropriation from treasury share	-	-	-	-	-	-	(91,070)	-	-	-	(91,070)	-	(91,070)
Total other comprehensive income (loss) for the year	-	-	-	-	-	84,032	-	206,318	13	206,331	290,363	-	290,363

Balance as at 31 December 2016	4,728,445	71,131	-	13,600	91,070	113,424	(91,070)	(105,553)	27	(105,526)	4,821,074	-	4,821,074
Equity attributable to the Company's shareholders													
Other components of shareholders' equity													
Consolidated	Issued and paid-up share capital	Premium on share capital	Capital surplus on share reduction and issued new share capital	Retained earnings			Treasury shares- Common shares	Unrealized gain(loss) on valuation of available - for - sales securities	Translation adjustments for foreign currency financial statements	Total	Total Equity attributable to the Company's shareholders	Non - controlling interests	Total
				Legal reserve	Appropri atd for treasury shares	Unappropriated							
Balance as at 1 January 2017	4,728,445	71,131	-	13,600	91,070	113,424	(91,070)	(105,553)	27	(105,526)	4,821,074	-	4,821,074
Share reduction from treasury shares	(140,249)	-	49,179	-	-	-	91,070	-	-	-	-	-	-
Non - controlling interests increase	-	-	-	-	-	-	-	-	-	-	-	35,000	35,000
Appropriated for treasury shares	-	-	-	-	(91,070)	91,070	-	-	-	-	-	-	-
Transactions with owners	(140,249)	-	49,179	-	(91,070)	91,070	91,070	-	-	-	-	35,000	35,000
Loss for the year	-	-	-	-	-	(105,454)	-	-	-	-	(105,454)	(261)	(105,715)
Other comprehensive income for the year						3,375		109,972	1	109,973	113,348	-	113,348
Total other comprehensive income (loss) for the year						(102,079)	-	109,972	1	109,973	7,894	(261)	7,633
Balance as at 31 December 2017	4,588,196	71,131	49,179	13,600	-	102,415	-	4,419	28	4,447	4,828,968	34,739	4,863,707

(Unit : Thousand Baht)

Consolidated	Equity attributable to the Company's shareholders												
	Other components of shareholders' equity												
	Issued and paid-up share capital	Premium on share capital	Capital surplus on share reduction and issued new share capital	Retained earnings			Treasury shares- Common shares	Unrealized gain(loss) on valuation of available - for - sales securities	Translation adjustments for foreign currency financial statements	Total	Total Equity attributable to the Company's shareholders	Non - controlling interests	Total
				Legal reserve	Appropri atd for treasury shares	Unappropri ated							
Balance as at 1 January 2018	4,588,196	71,131	49,179	13,600	-	120,415	-	4,419	28	4,447	4,828,968	34,739	4,863,707
Loss for the year	-	-	-	-	-	(149,597)	-	-	-	-	(149,597)	(2,611)	(152,208)
Comprehensive loss for the year	-	-	-	-	-	1,057	-	(62,285)	(4,260)	(66,545)	(65,488)	-	(65,488)
Total other comprehensive income (loss) for the year	-	-	-	-	-	(148,540)	-	(62,285)	(4,260)	(66,545)	(215,085)	(2,611)	(217,695)
Balance as at 31 December 2018	4,588,196	71,131	49,179	13,600	-	(46,125)	-	(57,866)	(4,232)	(62,098)	4,613,883	32,128	4,646,011

ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED 31 DECEMBER 2017, 2016 AND 2015

Separate F/S

(Unit : Thousand Baht)

	Capital surplus			Retained earning			Treasury shares	Other components of	Total
	Issued and paid-up share capital	– Common shares	Capital surplus – Treasury shares	Legal reserve	Appropriated for treasury shares	Unappropriated	– Common shares	shares-equity Unrealized gain (loss) on valuation of available-for-sale securities	
Balance as at 1 January 2016	4,728,445	71,131	-	8,600	-	93,694	-	(311,872)	4,589,998
Appropriated for treasury shares	-	-	-	-	91,070	(91,070)	-	-	-
Appropriation of legal reserve				5,000		(5,000)			
Repurchase of treasury shares - Common shares							(91,070)		(91,070)
Comprehensive income for the year	-	-	-	-	-	99,160	-	206,318	305,478
Balance as at 31 December 2016	4,728,445	71,131	-	13,600	91,070	96,784	(91,070)	(105,554)	4,804,406
Balance as at 1 January 2017	4,728,445	71,131	-	13,600	91,070	96,784	(91,070)	(105,554)	4,804,406
Share reduction from treasury shares	(140,249)	-	49,179	-	-	-	91,070	-	-
Appropriated for treasury shares	-	-	-	-	(91,070)	91,070		-	-
Transactions with owners	(140,249)	-	49,179	-	(91,070)	91,070	91,070	-	-
Loss for the year	-	-	-	-		(6,699)	-		(6,699)

Other comprehensive income for the year	-	-	-	-		2,617	-	109,972	112,589
Total other comprehensive income (loss) for the year	-	-	-	-	-	(4,082)	-	109,972	105,890
Balance as at 31 December 2017	4,588,196	71,131	49,179	13,600	-	183,772	-	4,418	4,910,296

Separate F/S

Separate F/S	(Unit : Thousand Baht)								
	Capital surplus			Retained earning		Treasury shares	Other components of	Total	
	Issued and paid-up share capital	– Common shares	Capital surplus – Treasury shares	Legal reserve	Appropriated for treasury shares	Unappropriated	– Common shares		shares-equity
									Unrealized gain
									(loss) on valuation of
available-for-sale securities									
Balance as at 1 January 2018	4,588,196	71,131	49,179	13,600	-	183,772	-	4,418	4,910,296
Loss for the year	-	-	-	-	-	(100,436)	-	-	(100,436)
Other comprehensive income for the year	-	-	-	-	-	-	-	(62,285)	(62,285)
Total other comprehensive income (loss) for the year	-	-	-	-	-	(100,436)	-	(62,285)	(162,720)
Balance as at 31 December 2018	4,588,196	71,131	49,179	13,600	-	83,336	-	(57,867)	4,747,575

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED 31 DECEMBER

(Unit : Thousand Baht)

	Consolidated F/S			Separate F/S		
	2018	2017	2016	2018	2017	2016
Cash flows from operating activities						
Profit before income tax	(143,297)	(120,434)	82,582	(101,633)	(4,799)	100,102
Adjusted by						
Depreciation	77,401	61,066	49,238	69,507	61,003	49,237
Unrealized gain on exchange rate	(35)	2	(174)	(35)	2	(165)
Share of gain from investments in associated company and joint venture	(8,510)	84,580	(4,823)	-	-	-
Dividend income	-	-	(68,271)	-	-	(87,863)
Provision (reversal of allowance) for doubtful accounts	2,611	7,750	5,683	2,611	7,750	5,683
Gain on disposal of other investment	(42,000)	-	-	(42,000)	-	-
Allowance (reversal of allowance) for defective inventories	24,081	(868)	-	24,081	(868)	-
Gain on disposal of investment in associated company	-	-	-	-	19,043	-
Loss on write-off fixed assets	3,580	14	-	3,571	14	-
Gain on disposal of fixed assets	-	(280)	-	-	(30,129)	-
Loss on withholding tax written - off	512	15	-	512	15	.
Provisions for employee benefits obligation	8,783	7,478	4,771	7,869	5,180	4,771
Interest income	(152)	(743)	(2,692)	(302)	(701)	(2,832)
Interest expense	41,934	16,338	17,577	41,326	31,258	20,017
Cash flows provided from (used in) operations before changes in operating	(37,500)	54,918	83,891	3,098	87,768	88,950
Assets and Liabilities						
Decrease (Increase) in operating assets						
Trade and other accounts receivable	(15,808)	81,639	81,639	(2,924)	71,052	(171,170)
Inventories	(154,551)	(95,452)	(118,515)	(81,480)	(95,452)	(118,515)
Other current assets	(41,933)	(18,844)	(1,862)	(6,531)	(1,764)	(1,272)
Retention receivables	(34,100)	(2,174)	203	(34,100)	(2,174)	203
Other non - current assets	2,719	516	(3,412)	791	516	(3,412)

(Unit : Thousand Baht)

	Consolidated F/S			Separate F/S		
	2018	2017	2016	2018	2017	2016
Increase (Decrease) in operating liabilities						
Trade and other accounts payable	162,306	8,615	131,009	122,385	147	131,009
Advances received - general customers	(244)	25,336	16,248	(244)	25,336	16,248
Advances received - related companies	(21)	(2,563)	2,585	(21)	(2,564)	2,585
Employee retirement benefits obligation	(2,760)	(3,285)	(963)	(2,760)	(3,285)	(963)
Other current liabilities	2,567	2,520	18,308	2,378	2,342	18,057
Other non - current liabilities	-	49	(2,623)	-	49	(2,623)
Cash provided from (used in) operations	(119,323)	51,275	(44,532)	592	81,971	(40,903)
Refunded income tax	6,178	20,195	-	6,178	20,195	-
Interest payment	(56,842)	(27,032)	(17,038)	(38,097)	(34,574)	(17,038)
Income tax payment	(5,281)	(2,913)	(8,215)	(5,160)	(2,763)	(8,214)
Net cash used in operating activities	(175,268)	41,525	(69,785)	(36,488)	64,829	(66,155)
Cash flows from investing activities						
Decrease (increase) in restricted deposits with banks	27,930	37,170	(2,600)	27,930	37,170	(2,600)
Decrease in fixed deposits	-	50,001	40,170	-	50,001	40,170
Paid for investment in subsidiary company	-	-	-	-	(165,000)	(277,500)
Paid for loan to subsidiary	-	-	-	(23,650)	-	-
Receipt from loan to subsidiary	-	-	-	23,650	-	-
Proceeds from disposal of other investment	42,000	-	-	42,000	-	-
Purchases of fixed assets	(366,495)	(445,300)	(198,088)	(44,321)	(264,549)	(105,233)
Purchases of software program	(440)	(4,720)	-	(440)	(4,720)	-
Dividend received	2,409	-	87,863	2,409	-	87,863
Proceeds from sales of fixed assets	-	280	-	-	130,280	-
Interest received	175	791	2,832	325	750	2,973
Net cash used in investing activities	(294,422)	(361,778)	(69,823)	(27,902)	(216,068)	(254,327)
Cash flows from financing activities						
Increase (decrease) in short - term loan from financial institution	252,090	(78,489)	79,754	174,074	28,326	491
Repayments of long - term loans from financial institutions	(149,500)	(78,000)	(84,500)	(103,200)	(78,000)	(84,500)
Proceeds from long - term loans from financial institutions	448,734	503,976	208,375	19,431	180,569	208,375

(Unit : Thousand Baht)

	Consolidated F/S			Separate F/S		
	2018	2017	2016	2018	2017	2016
Repayments of fixed asset payabl	(72,705)	(90,688)	-	-	(16,720)	-
Proceeds from loans from subsidiary	-	-	-	(61,500)	-	259,500
Repayments of liabilities under finance lease agreement	(251)	(310)	(67)	(251)	(310)	(68)
Purchase of treasury shares - common shares	-	-	(91,069)	-	-	(91,069)
Increase in non - controlling interests	-	35,000	-	-	-	-
Net cash provided from (used in) financing activities	478,368	291,489	112,493	28,553	113,865	292,729
Translation adjustments for foreign currency financial statements	(4)	1	13	-	-	-
Net decrease in cash and cash equivalents	(8,674)	(28,761)	(27,102)	(19,968)	(37,372)	(27,753)
Cash and cash equivalents at beginning of year	29,756	58,517	85,619	17,994	55,366	83,119
Cash and cash equivalents at end of year	38,430	29,756	58,517	37,962	17,995	55,366
Supplemental disclosures for cash flows information						
Non - cash items :						
- Purchase of assets under finance lease agreements	-	658	687	-	658	687
- Unrealized gain (loss) on available - for - sales securities	(77,856)	137,465	257,898	(77,856)	137,465	257,898
- Purchased fixed assets which have not been paid yet	64,106	72,705	90,688	-	-	162,720
- Transferred inventories to fixed assets	5,575	6,721	-	5,575	6,721	-
- Actuarial gains from employee benefit	-	3,272	-	-	3,272	-
- Accrued transfer fee from land's sale	-	-	-	-	4,251	-

Summary of Key Financial Ratios

As of 31 December

	Unit	Consolidated Financial Statement			Separate Financial Staement		
		2018	2017	2016	2018	2017	2016
Liquidity ratio							
Liquidity ratio	time(s)	0.96	0.92	1.35	0.91	0.81	1.23
Quick liquidity ratio	time(s)	0.40	0.43	0.81	0.43	0.38	0.74
Account receivable turnover	time(s)	4.51	3.75	3.66	4.45	3.73	3.66
Average collection period	day(s)	80.95	97.33	99.73	82.08	97.86	99.73
Inventory turnover	time(s)	3.55	3.72	4.35	3.80	3.75	4.35
Average sale period	day(s)	102.74	98.12	83.91	96.03	97.33	83.91
Trade receivable turnover	time(s)	3.49	3.38	4.36	4.21	4.06	4.92
Average payment period	day(s)	104.30	107.99	83.72	86.77	89.90	74.19
Cash cycle	day(s)	79.39	87.46	99.92	91.34	105.29	109.45
Profitability Ratio							
Gross profit margin	%	1.75	8.82	9.92	1.84	8.94	9.92
Operating profit margin	%	(7.79)	(2.03)	4.90	(5.22)	0.80	6.31
Net profit margin	%	(7.50)	(5.86)	4.99	(4.93)	(0.36)	5.83
Return On Equity (ROE)	%	(3.28)	(2.18)	1.78	(2.12)	(0.14)	2.11
Efficiency Ratio							
Return on assets	%	(2.26)	(0.08)	1.77	(1.64)	0.73	2.17
Return on fixed assets	%	(3.87)	0.76	4.32	(3.37)	2.56	5.27
Assets Turnover	time(s)	0.29	0.30	0.31	0.32	0.31	0.31
Leverage Ratio or Financial Ratio							
Debt/Equity Ratio	time(s)	0.45	0.28	0.21	0.29	0.25	0.22
Interest Coverage	time(s)	(2.42)	(6.37)	5.70	(1.46)	0.85	6.00
Per Share Data							
Book Value	Baht	0.86	0.89	0.87	0.88	0.91	0.86
Profit (Loss) per Share	Baht	(0.03)	(0.02)	0.02	(0.02)	(0.00)	0.02

17. Management Discussion and Analysis (MD&A)

17.1 Overview of Business Operations and Significant Changes

In year 2018, the Company indicated a continuous increase in sales revenue and sales volume while the fierce competition in the selling price led the unit price decreased. Cost of production also increased due to the fluctuation in materials. The Company is also enduring with the increase in costs as new employees are hired to support the expected growth, while the new precast concrete wall and pre-stressed concrete pile factories are not yet able to produce at their best capacity. Therefore, the operating result could not reach the expected target.

Significant Changes during the year 2018

- General Nippon Concrete Industries Company Limited (the Company subsidiary) under the Joint Venture's agreements with Nippon Concrete Industries Co., Ltd. to manufacture and sell spun pile concrete. The Company has its investment portion at 82.50%, or Baht 165 million, (register capital of Baht 200 million). Its subsidiary expected to start commercial operation within 2019.
- Seven Wire Company Limited (the Company subsidiary) is a Manufacturer and sell the special qualified of PC Wire and PC Strand. Its subsidiary started commercial operation the end of 2018
- The Company had disposition of the common shares held in Prinda Public Company Limited ("PRINDA") amount of 4,000,000 ("Four Million shares") at par value Baht 10.50 totaling 42,000,000 Baht and received money and has transferred the common shares held in PRINDA already on 11 July 2018.
- The Company acquired warrants to purchase common stock of Millcon Steel Public Company Limited No. 5 (MILL-W5) amount of units 155.71 million at exercise price Baht 1.80 per share and expired on 10 July 2020.

Operating Results

The operating results of the Company and its subsidiaries for the year ended December 31, 2018 is described in the financial statement showing net loss at the amount of Baht 152.21 million, comparing with the same period in 2017, the net loss amount of Bath 105.72 million. In 2018 net loss is increased by Baht 46.49 million which details are as follows;

Unit: Million Baht	2018	2017	Increase (decrease)
Revenues from sales	1,948.01	1,762.47	185.54
Costs of sales	(1,913.98)	(1,612.48)	301.50
Gross profit	34.03	149.99	(115.96)
Other income	73.17	26.61	(46.56)
associated company and joint venture	8.51	(84.58)	93.09
Selling and Administrative expenses	(217.08)	(196.12)	20.96
Finance costs	(41.93)	(16.34)	(25.59)
Income tax benefit (expense)	(8.91)	14.72	(23.63)
Net Profit	(152.21)	(105.72)	(46.49)

(1) Revenue from sales

In 2018, the Company and its subsidiaries had total revenue from sales at the amount of Baht 1,948.01 million, which increased from the year 2017 by Baht 185.54 million or 10.53%. The increase was affected by an increase in the delivery volume of pre-stressed concrete piles, precast concrete wall special cement and architecture by Baht 214.21 million. In addition, the delivery volume of fiberglass reinforced concrete and post-tension was decreased by Baht 47.95 million.

(2) Other income

In 2017, the Company and its subsidiaries had dividend income with amount of Baht 2.40 million and gain the profit from disposition of the common shares which was Baht 42 million.

(3) Cost of sales

In 2018, the Company and its subsidiaries had total cost of sales at the amount of Baht 1,888.56 million, which increased from the year 2017 by Baht 276.08 million or 17.12% due to the fixed cost on salaries for the production that was not able to occupy full capacity, the expenses from services was not in line with budget. The Company recorded an impairment of inventory Baht 25.42 million.

(4) Gross profit

The Company and its subsidiaries' total gross profit were Baht 34.03 million, which decreased from the year by 115.96 million or 77.31%, due to a decrease in sales and unit price but cost of sales and service was increased.

(5) Selling expenses

The Company and its subsidiaries had selling expenses of Baht 47.28 million, or Baht 5.48 million decreased from the year 2017 or 10.39%.

(6) Administrative expenses

The Company and its subsidiaries' administrative expenses were Baht 145.98 million, or Baht 28.82 million or 24.60% increased from the year 2017 due to an employee's expenses increased by Baht 11.85 million and the Company's subsidiaries have not yet started their operations.

(7) Financial cost

The Company and its subsidiaries' financial cost from loan and permission note were Baht 41.93 million or increased by Baht 25.59 million or 156.66% from the last year due to long term loan and working capital.

(8) Share of profit (loss) from investment in associated company and joint ventures

In 2018, the Company recognized the profit sharing from Mctric Public Company Limited for the amount of Baht 23.25 million and the loss sharing amount of Baht 14.74 million from Wisdom Tree Investment (S) PTE. Limited. Therefore, share of profit from investment in associated company and joint venture was Baht 8.51 million, increased by Baht 93.09 million comparing to the same period last year, which the Company loss sharing from Mctric Public Company at the amount of Baht 81.48 million and loss sharing from Wisdom Tree Investment (S) PTE. Limited. at the amount of Baht 3.09 million.

(9) Income Tax benefit (expense)

In 2018, the consolidated financial statements have been adjusted to reverse the deferred income tax of the share of loss of the associated company in the amount of Baht 10.11 million, resulting in an increase in income tax expenses from the previous year of Baht 23.63 million.

1. Financial Analysis

(Unit: Thousand Baht)

Items	30 December 2018	31 December 2017	Increase (Decrease)	%
Net Assets	6,724,090	6,229,084	495,006	7.95
Net Liabilities	2,078,079	1,365,378	712,702	52.20
Shareholders' equity	4,646,010	4,863,707	(217,697)	(4.48)

Assets

As at December 31, 2018, the Company had total assets of Baht 6,724.09 million Baht, at the amount of Baht 495.01 million or 7.95% increased from the same period of last year.

1. An increase in cash and cash equivalent at amount of Baht 8.67 million which was due to an increase in accounts receivable and account receivable of related company at amount of Baht 10.89 million.
2. An increase in inventories at amount of Baht 124.89 million which was due to delay of project and delivery and inventories from the Company's subsidiaries was increased by Baht 69.40 million.
3. An increase in other current assets at amount of Baht 41.98 million due to withholding tax of investment in machine of the Company's subsidiaries was on processing for tax refund which was Baht 44.42 million.
4. Restricted bank deposits decreased by Baht 27.93 million due to changed in collateral.
5. The Company was adjusting in available-for-sales to market price at amount of Baht 77.86 million increased from ended 31 December 2018.
6. The subsidiaries' property, plant and equipment increased by Baht 402.04 million from the factory which is under construction and commissioning.

Liabilities

As at 31 December 2018, the Company and its subsidiaries' liabilities was Baht 2,078.08 million, increased by Baht 712.70 million or 52.20 from 31 December 2018.

1. The Company's current liabilities increased by Bath 165.57 million due to;
 - a. The Company and its subsidiaries short term loan increased by Baht 252.05 million which comes from the Company's short term loan (PN) was Baht 226 million and subsidiaries overdrafts was Baht 26 million for the Company's working capital and for construction and procurement of machinery.
 - b. The Company reallocated term loan to current liabilities from last year effecting to a decrease in long term loan at amount of Baht 239 million. The Company's subsidiaries recognized short term loan increased by Baht 35 million.

c. The Company's account payable increased by Baht 153.75 million from supply of materials and labor expenses.

2. Non-current liabilities increased by Baht 547.13 million due to

a. The term loan was Baht 538.71 million from term loan of the Company and its subsidiaries. And Last year the Company categorized term loan to current liabilities and changed to non-current liabilities this period which affected to an increase in non-current liabilities by Baht 538.71 million and the Company and its subsidiaries repayment Baht 149.50 million.

b. The Company recognized the employee benefits obligation - net at amount of Baht 8.69 million.

Shareholders' equity

As at 31 December 2018, the shareholders' equity of the Company and its subsidiaries were Baht 4,646.01 million, decreased by Baht 217.69 million or 4.48% from 31 December 2017. The available for sale of securities was increased due to the market price was higher. This was effecting in increased in number of shareholders' equity by Baht 77.86 million. The operating result of the Company and its subsidiaries in the year 2018 showing a loss resulting in a decrease in shareholders' equity at the amount of Baht 215.08 million.

Debt Servicing Obligations and Management of the Off-Balance Sheet Items

- The Company's contracts to sell products and services which were not yet delivered to the customers amounted to Baht 1,850.62 million. Nonetheless, the Company would deliver the products and services within the dates specified in the contracts or as mutually agreed with the customers. This was the normal way in operating the business.
- The Company and its subsidiaries had liabilities from the bank guarantees issued to the Company and its subsidiaries for performance of contracts and from electricity usage in the amount of Baht 269.835 million. The Company used land and buildings as the security for the bank guarantees. This was also normal in business operation.
- The Company had obligations in regard to the plant and car lease contracts. The future payment as stipulated in the non-cancellable lease contracts amounted to Baht 39.93 million. The industrial plant in the lease contract is used for manufacturing products in normal business operation.
- The Company and its subsidiaries had bank overdraft amounted to Baht 1,624.86 million which the Company's land and machinery have been mortgaged as collateral for credit facilities with the bank. This is a normal business.
- The Company has commitment from issuing a letter of guarantee (stand by letter of credit) with a bank together with the related company in the amount of USD 6.07 million to guarantee credit facilities of the joint venture. Such credit facility guarantor by ordinary shares of the company held in Wisdom Tree Investment (S) PTE. Limited.

Factors affecting future performance

In the year 2019, the construction of the private sector is likely to grow significantly because of the expansion of business related to the construction of large-scale infrastructure projects, both still in operation and in many new projects. That will be resulted to growth of construction of housing projects, condominium project, parking building project and the construction of commercial buildings along various lines according to the growth of the construction of such large transport infrastructure. All the reason will directly benefit to the company both with product sales and increased revenue including higher work in hand. In addition, in March 2019, Thailand will have a new government election to create confidence for both domestic and foreign investors and will making the overall economic outlook of the country better, respectively The Company emphasizes the strategy to control the production cost of the whole cycle which will control of raw material costs, which is the result of the company has expanded its business to the upstream business by investing in the construction of the production and distribution of special steel wire in the name of Seven Wire Company Limited, including the company also increasing the variety of products of the company to meet the needs of customers in all groups of needs. The company invested in the construction of a factory to produce and sell reinforced concrete piles (spun pile). The company has prepared measures to control costs and expenses to be more concise.

Report of the Audit Committee

Dear Shareholders,

The Audit Committee of the Company was appointed by the Board of Directors consists of three independent directors having the term for 3 years. Activities are highlighted as follows.

Name	Position	Number of Attendance	Appointed
1. Mr. Suchart Boonbanjerd Sri	Chairman of the Audit Committee and Independent Director	5/5	2 Oct 2014 (resigned from the directorship on 16 Jan 2019)
2. Mrs. Pannee Jarusombat	Member of the Audit Committee and Independent Director	5/5	2 Jun 2014
3. Mr. Vichya Krea-Ngam	Member of the Audit Committee and Independent Director	5/5	2 Oct 2014
4. Mr. Wirach Morakotkarn	Chairman of the Audit Committee and Independent Director	-	Appointed to the Chairman of the Audit Committee on 26 Feb 2019

All members of the Audit Committee are the experts from various fields, such as law, accounting, and finance and have independence in the performance of duties as assigned by the Board of Directors. The scope of duties includes review of financial statements, selection and remuneration of the auditor, provision of opinions and suggestions on the internal control system, consideration of the transactions that may pose conflict of interest, compliance with the requirements of the regulatory bodies, and enhancement of the good corporate governance principles.

The Audit Committee performed its duties as entrusted by the Board of Directors in line with its own charter, and the requirements from the Stock Exchange of Thailand. In the 2018 accounting period, the Audit Committee held totally 5 meetings. All members of the Audit Committee attended every meeting with the management and the external and internal auditors to consider, discuss, and exchange opinions on related matters as appropriate. The meeting results were summarized and reported to the Board of Directors. The Audit Committee also attended the meeting on 15 January 2019 with the auditor and 3 independent directors, in the absence of the management, in order for the auditor to freely express opinions. The Audit Committee's performance of duties can be summarized as follows.

1. Review and Audit of the Company's Financial Statements for Accuracy and Adequacy of Financial Reporting

The Audit Committee and the auditor mutually reviewed the Company's quarterly and annual financial statements for 2018 in terms of accuracy and adequacy of financial information disclosure. After review, the Audit Committee did not

find anything that might cause inaccuracy of the essential information in the financial statements according to the generally accepted accounting principles. In addition, the Audit Committee and the independent directors had a meeting with the auditor, in the absence of the management, to make inquiries with the external auditor and listen to his explanations, as well as to provide comments and suggestions in connection with the financial statements. This was to ensure that the essential information in the Company's financial statements was accurate, complete, and credible in accordance with the generally accepted accounting standards and that the adequate information in such financial statements was disclosed. Then, the reviewed financial statements were submitted to the Board of Directors for consideration and approval to be disclosed to the Stock Exchange of Thailand and the Office of Securities and Exchange Commission.

2. Review of Compliance with Good Corporate Governance Policies

The Audit Committee had the meetings with the management and heads of relevant departments to review the Company's compliance with the law on securities and exchange, the Stock Exchange of Thailand's regulations, and the laws relating to the Company's business. Also, the Audit Committee regularly inspected, monitored, and inquired about the compliance with the good corporate governance policies, including reviewing and revising the anti-corruption policy, as well as accepting all information and complaints about frauds or violation of laws, regulations, and rules according to the whistle-blowing process. In 2018, no complaint about such frauds or violation was filed.

The Company had signed up for the Private Sector Collective Action Coalition against Corruption (CAC), a campaign had initiated by Thai Institute of Directors Association and sponsored by the government and the Office of the National Anti-Corruption Commission.

The Company had complied with the certification process of the campaign by presenting evidence relating to the business policies, measures and working processes, including internal control systems to the Audit Committee according to requirements of the Collective Action Coalition Against Corruption self-evaluation tool. The Company was certified as a member of the Collective Action Coalition against Corruption on 18 August 2017.

3. Supervision of Compliance with Regulations of the Regulatory Bodies

The Audit Committee considered the regulations, requirements, criteria, and laws relating to the Company's business (collectively called regulations), including amendments of such regulations, and regularly reviewed the Company's compliance with the regulations. The Audit Committee viewed that the Company followed the law on securities and exchange, and the Stock Exchange of Thailand's regulations such as entering into connected transactions with related companies based on the transparency and arm's length price according to the criteria established by the Board of Directors, as well as strictly adhered to the laws relating to the Company's business.

4. Review of Risk Management

The Audit Committee considered, reviewed, and evaluated the efficiency of the risk management processes of the Company. The Audit Committee also provided advice, suggestions and support to the Board of Directors and the management to perform duties in compliance with the risk management policies.

5. Review of Internal Control System

The Audit Committee considered and approved the annual audit plan and relevant reports prepared by the internal audit unit, and also provided advice to the management for rectification in order to ensure the Company's internal control system is suitable, sufficient, and effective for business operations.

6. Appointment of External Auditor for the 2018 Financial Statements

The Audit Committee considered, selected and nominated to the Board of Directors the person independent of the Company to be the external auditor. The Board of Directors appointed Grant Thornton Company Limited, represented by Ms. Sansanee Poolsawat, Certified Public Accountant License No. 6977, or Mr. Teerasak Chuasrisakul, Certified Public Accountant License No. 6624, or Ms. Kanyanut Sriratchatwal, Certified Public Accountant License No. 6549, or Mr. Narin Juramolkon, Certified Public Accountant License No. 8593, as the auditor of the Company for the accounting period ended on 31 December 2018. The audit fee was determined at 2,800,000 baht with the approval of the Company's Board of Directors and the shareholders' meeting.

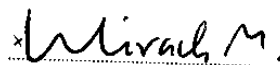
7. Revision of the Audit Committee Charter

In 2018, the Audit Committee reviewed and revised the charter of the Audit Committee to cover more working rules in aspects of good corporate governance and anti-corruption. The charter was amended as appropriate and approved by the Board of Directors.

8. Self-Assessment of the Audit Committee

The result of the Audit Committee self-assessment is excellent. The Audit Committee concluded that the Committee has adequately completed its duty as assigned.

In the performance of its duties as assigned, the Audit Committee agreed that the financial statements audited by the Company's auditor were accurate with adequate disclosure in accordance with the generally accepted accounting standards, and that the auditor performed its duties suitably in compliance with the requirements. Nothing was found to significantly affect the accuracy of the financial statements. The Audit Committee viewed that the Company adequately adhered to the law on securities and exchange, and other laws relating to the Company's business; and also implemented the internal control system in a proper manner in line with the business environment under the enhancement of good corporate governance principles.



(Mr. Wirach Morakotkarn)

Chairman of the Audit Committee

16. Report of the Board of Directors' Responsibility in Financial Statement

The Company's Board of Directors is responsible for financial statements of General Engineering Public Company Limited and its subsidiaries, including the financial information that appears within their annual reports. The financial statements have been prepared according to generally accepted accounting standards. An appropriate accounting policy has been selected, applied and consistently adhered to under cautious consideration. In addition, an effective internal control system has been set up. Material information has been adequately disclosed in the Notes to the Financial Statements. These are implemented for benefits of shareholders and investors, with an aim to create confidence in the Company's financial statements, to take care and keep good maintenance of the Company's assets, and to prevent dishonest acts or any irregular operations of material substance.

The financial statements of the Company and its subsidiaries have been audited by Ms. Sansanee Poolsawad the Certified Public Accountant from Grant Thornton Company Limited who has been certified by the Securities and Exchange Commission. The Company has provided information and various documents to the auditor to enable him to conduct the audit and express his opinion in accordance with generally accepted auditing standards. The auditor's opinion appears in the Report of the Certified Public Accountant within the Annual Report.

The Company's Board of Directors has appointed the Audit Committee to be responsible for reviewing the Company's accounting policies, quality of financial reports, internal control system, internal audit system and risk management system. The opinion of the Audit Committee on this matter appears in the Audit Committee's Report within the Annual Report.

The Company's Board of Directors believes that the Company's overall internal control system is at satisfactory level. Financial statements of General Engineering Public Company Limited and its subsidiaries as at 28 February 2019 substantially portray the Company's financial position, operating performance and cash flow in an accurate and reasonable manner and comply with generally accepted accounting principles and related laws and regulations.



(Mr. Thitipong Tangpoonphonvivat)

Chief Executive Officer



(Dr. Tawat Anantanavanich)

Managing Director

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of General Engineering Public Company Limited

Qualified Opinion

I have audited the consolidated financial statements of General Engineering Public Company Limited and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statements of profit and loss and other comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. I have also audited the separate financial statements of General Engineering Public Company Limited (the "Company"), which comprise the separate statement of financial position as at 31 December 2018, and the separate statements of profit and loss and other comprehensive income, separate statement of changes in shareholders' equity and separate statement of cash flows for the year then ended, and notes to the separate financial statements, including a summary of significant accounting policies.

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of my report, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2018, and its consolidated financial performance and cash flows for the year then ended and the separate financial position as at 31 December 2018, and its separate financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Qualified Opinion

The consolidated financial statements as at 31 December 2018 include investment in overseas joint venture accounted for under the equity method of Baht 150.42 million, and share of loss from joint venture under the equity method for the year then ended of 14.74 million. These financial statements are based on financial information compiled by the management of such overseas joint venture which have not been audited by their auditor. I was unable to obtain sufficient appropriate audit evidence about the carrying amount of investment in overseas joint venture and the Company's portion of loss for the year of overseas joint venture. Consequently, I was unable to determine whether any adjustments were necessary.

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of my report. I am independent of the Group in accordance with the Federation of Accounting Professions' Code of Ethics for Professional Accountants that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. In addition, to the matter described in the Basis for Qualified Opinion section, we have determined the matter described below to be the key audit matters to be communicated in my report.

Key audit matter	Audit response
<p><u>Impairment of investment in associated company</u></p> <p>As at 31 December 2018, the consolidated and separate financial statements, investment in associated company presented amounting to Baht 158.34 million and Baht 166.59 million, respectively. Such investment indicated that recoverable amount is lower than carrying amount.</p> <p>An impairment testing process is complex and highly judgmental and involves estimates about future conditions.</p> <p>Refer to Notes 6 and 16 which provide details of the impairment testing performed by management.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> - obtaining an understanding of the impairment identification and testing process - review of the supporting documents used by management to assess whether impairment indicators exist at the period end - assessing the appropriateness of the valuation model and key assumptions used by management - Tested calculation for the recoverable amount.

Key audit matter	Audit response
<p><u>Revenue recognition</u></p> <p>In the consolidated and separate financial statements recognized revenue from sales and services for the year ended 31 December 2018 amounting to Baht 1,948.01million, respectively.</p> <p>I have focused on revenue recognition since each of the agreements are different in terms of scope and the delivery period which could impact the amount and timing of revenue recognition.</p> <p>Refer to Note 4.4 to the financial statements.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> - obtaining an understanding of the revenue process and the revenue recognition policy through inquiry with management and reviewing a sample of sales and services contract - evaluating the design and testing operating effectiveness of the controls over the revenue recognition - perform analytical review of sales and services during the year - sampling test sales documents during the year to assess whether revenue recognition. It was in compliance with the Company's policy. - Sampling test supporting documents for sales transactions occurring near the end of period.

Other matters

The consolidated financial statements of General Engineering Public Company Limited and its subsidiaries and the separate financial statements of General Engineering Public Company Limited for the year ended 31 December 2017, presented as comparative information, were audited by another auditor in the same office as mine, who expressed an unmodified opinion on those statements on 27 February 2018.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to request management and those charged with governance to correct the material misstatement.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Mr. Teerasak Chuasrisakul

Certified Public Accountant

Registration No. 6624

Grant Thornton Limited

Bangkok

28 February 2019

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

		(Unit : Baht)			
		Consolidated F/S		Separate F/S	
	Notes	31 December 2018	31 December 2017	31 December 2018	31 December 2017
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	8	38,430,081	29,755,936	37,962,172	17,994,643
Trade and other accounts receivable	7, 9	438,831,321	425,224,853	438,438,179	437,715,568
Retention receivables - current portion due within one year	13	13,991,132	16,706,686	13,991,132	16,706,686
Inventories	10	602,050,465	477,156,334	528,979,511	477,156,334
Other current assets	11	82,529,889	40,620,380	29,209,645	22,701,466
Total Current Assets		1,175,832,888	989,464,189	1,048,580,639	972,274,697
NON - CURRENT ASSETS					
Restricted deposits with banks	12	-	27,930,000	-	27,930,000
Retention receivables	13	67,247,654	30,841,742	67,247,654	30,841,742
Investments in available - for - sales securities and other investment	14	1,206,767,997	1,284,623,998	1,206,767,997	1,284,623,998
Investments in subsidiaries	15	-	-	445,337,168	445,337,168
Investments in associated company and joint venture	6, 16	308,760,850	305,571,777	344,250,480	344,250,480
Property, plant and equipment	17	2,929,885,393	2,558,585,168	1,682,647,455	1,705,584,483
Software program	18	9,436,835	9,240,845	9,436,835	9,240,845
Investment property	19	996,626,500	996,626,500	1,289,346,500	1,289,346,500
Deferred tax assets	28	22,899,850	15,439,244	21,627,094	4,858,689
Income tax withheld at sources		5,430,659	6,840,093	5,160,302	6,690,463
Other non - current assets		1,201,607	3,920,729	1,201,607	1,992,157
Total Non - Current Assets		5,548,257,345	5,239,620,096	5,073,023,092	5,150,696,525
TOTAL ASSETS		6,724,090,233	6,229,084,285	6,121,603,731	6,122,971,222

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

(Unit : Baht)

		Consolidated F/S		Separate F/S	
	Notes	31 December 2018	31 December 2017	31 December 2018	31 December 2017
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Short - term loan from financial institutions	20	292,736,378	40,682,347	203,495,770	29,458,228
Trade and other payable	7, 21	624,661,492	470,903,869	515,745,248	393,373,719
Advances received - general customers	22	100,367,295	100,610,952	100,367,295	100,610,953
- related company	7	-	20,896	-	20,896
Current portion due within one year					
- Liabilities under finance lease agreement		263,809	239,495	263,809	239,495
- Long-term loans from financial institutions	24	193,500,000	432,978,681	111,600,000	386,678,681
- Employee benefits obligation	25	1,460,889	4,553,140	1,460,889	3,377,140
Loan and accrued interest expense					
- subsidiary company	7	-	-	202,869,512	262,004,530
Other current liabilities	23	12,437,398	9,869,918	12,064,944	9,687,207
Total Current Liabilities		1,225,427,261	1,059,859,298	1,147,867,467	1,185,450,849
NON - CURRENT LIABILITIES					
Liabilities under finance lease agreement		452,086	727,584	452,086	727,584
Long - term loans from financial institutions	24	815,819,433	277,106,636	191,309,433	-
Employee benefits obligation	25	36,321,402	27,625,696	34,339,291	26,437,341
Other non - current liabilities		59,123	58,777	59,123	58,777
Total Non - Current Liabilities		852,652,044	305,518,693	226,159,933	27,223,702
TOTAL LIABILITIES		2,078,079,305	1,365,377,991	1,374,027,400	1,212,674,551

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION

		(Unit : Baht)			
		Consolidated F/S		Separate F/S	
Notes		31 December 2018	31 December 2017	31 December 2018	31 December 2017
LIABILITIES AND SHAREHOLDERS' EQUITY (Continued)					
SHAREHOLDERS' EQUITY					
	26				
Share capital - Common shares, Baht 0.85 par value					
- Authorized share capital - 5,397,877,189 shares		4,588,195,611	4,588,195,611	4,588,195,611	4,588,195,611
- Issued and fully paid-up share capital					
- 5,397,877,189 shares		4,588,195,611	4,588,195,611	4,588,195,611	4,588,195,611
Capital surplus - Common shares		71,131,343	71,131,343	71,131,343	71,131,343
Capital surplus - Treasury shares		49,179,549	49,179,549	49,179,549	49,179,549
Retained earnings - (Deficit)					
- Appropriated for legal reserve		13,600,000	13,600,000	13,600,000	13,600,000
- Unappropriated		(46,124,833)	102,415,145	83,336,422	183,771,961
Other components of shareholders' equity		(62,099,136)	4,446,053	(57,866,594)	4,418,207
Equity attributable to the Company's shareholders		4,613,882,534	4,828,967,701	4,747,576,331	4,910,296,671
Non - controlling interests	5	32,128,394	34,738,593	-	-
Total Shareholders' Equity		4,646,010,928	4,863,706,294	4,747,576,331	4,910,296,671
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		6,724,090,233	6,229,084,285	6,121,603,731	6,122,971,222

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEARS ENDED 31 DECEMBER

(Unit : Baht)

	Notes	Consolidated F/S		Separate F/S	
		2018	2017	2018	2017
Revenues from sales and services	7	1,948,014,146	1,762,467,695	1,948,023,746	1,779,933,548
Costs of sales and services	7	(1,913,978,715)	(1,612,479,218)	(1,912,095,010)	(1,626,290,936)
Gross profit		34,035,431	149,988,477	35,928,736	153,642,612
Interest income		151,732	742,593	301,869	700,651
Dividend income	14	2,408,670	-	2,408,670	-
Gain on exchange rate		462,191	2,243,076	265,827	-
Gain on disposal of other investment		42,000,000	-	42,000,000	-
Gain on disposal of assets	17	-	280,374	-	30,128,509
Other income	7, 27	28,147,940	23,351,304	45,568,565	38,227,840
Profit before expenses		107,205,964	176,605,824	126,473,667	222,699,612
Selling expenses	28	(47,282,475)	(52,764,103)	(47,086,959)	(52,764,103)
Administrative expenses	28	(145,984,163)	(117,166,072)	(115,881,500)	(98,091,176)
Loss on exchange rate		-	-	-	(151,495)
Management benefit expenses		(23,812,081)	(26,190,558)	(23,812,081)	(26,190,558)
Finance costs		(41,934,469)	(16,338,325)	(41,325,871)	(31,257,624)
Total Expenses		(259,013,188)	(212,459,058)	(228,106,411)	(208,454,956)
Profit (loss) from operations		(151,807,224)	(35,853,234)	(101,632,744)	14,244,656
Share of profit (loss) from investments in associated company and joint venture	16	8,510,179	(84,580,391)	-	-
Loss on impairment of investment in associated company	16	-	-	-	(19,043,485)
Loss before income tax		(143,297,045)	(120,433,625)	(101,632,744)	(4,798,829)
Income tax benefit (expense)	29	(8,910,479)	14,717,296	1,197,205	(1,899,913)
Loss for the year		(152,207,524)	(105,716,329)	(100,435,539)	(6,698,742)
Other comprehensive income for the year					
Items that will be reclassified subsequently to profit or loss					
Unrealized gain (loss) on valuation of available - for - sales securities - net of tax		(62,284,801)	109,971,600	(62,284,801)	109,971,600
Translation adjustments for foreign currency financial statements		(4,260,388)	887	-	-
Total		(66,545,189)	109,972,487	(62,284,801)	109,971,600
Items that will not be reclassified subsequently to profit or loss					
Actuarial gains - net of tax		1,057,347	2,617,403	-	2,617,403
Actuarial gains from investments in associated company - net of tax		-	758,772	-	-
Total comprehensive income for the year		(65,487,842)	113,348,662	(62,284,801)	112,589,003
Total comprehensive income for the year		(217,695,366)	7,632,333	(162,720,340)	105,890,261

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEARS ENDED 31 DECEMBER

		(Unit : Baht)			
Note	Consolidated F/S		Separate F/S		
	2018	2017	2018	2017	
Attribution of loss for the year :					
Portion of the Company's shareholders	(149,597,325)	(105,454,547)	(100,435,539)	(6,698,742)	
Portion of non-controlling interests	(2,610,199)	(261,782)	-	-	
	<u>(152,207,524)</u>	<u>(105,716,329)</u>	<u>(100,435,539)</u>	<u>(6,698,742)</u>	
Attribution of comprehensive income (loss) for the year :					
Portion of the Company's shareholders	(215,085,167)	7,894,115	(162,720,340)	105,890,261	
Portion of non-controlling interests	(2,610,199)	(261,782)	-	-	
	<u>(217,695,366)</u>	<u>7,632,333</u>	<u>(162,720,340)</u>	<u>105,890,261</u>	
Basic earnings (loss) per share					
	32				
Loss (Baht per share)	(0.02771)	(0.01954)	(0.01861)	(0.00124)	
Weighted average number of common shares (shares)	<u>5,397,877,189</u>	<u>5,397,877,189</u>	<u>5,397,877,189</u>	<u>5,397,877,189</u>	

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED 31 DECEMBER

(Unit : Baht)

Equity attributable to the Company's shareholders													
Notes	Issued and paid-up share capital	Capital surplus - Common shares	Capital surplus - Treasury shares	Other components of shareholders' equity									
				Retained earnings			Treasury shares - Common shares	Unrealized gain (loss) on valuation of available - for - sales securities	Translation adjustments for foreign currency financial statements	Total	Total Equity attributable to the Company's shareholders	Non - controlling interests	Total
				Legal reserve	Appropriated for treasury shares	Unappropriated							
Consolidated F/S													
Balance as at 1 January 2017	4,728,445,611	71,131,343	-	13,600,000	91,070,451	113,423,066	(91,070,451)	(105,553,393)	26,959	(105,526,434)	4,821,073,586	75	4,821,073,661
Share reduction from treasury shares	27 (140,250,000)	-	49,179,549	-	-	-	91,070,451	-	-	-	-	-	-
Non - controlling interests increase	-	-	-	-	-	-	-	-	-	-	-	35,000,300	35,000,300
Appropriated for treasury shares	27 -	-	-	-	(91,070,451)	91,070,451	-	-	-	-	-	-	-
Transactions with owners	(140,250,000)	-	49,179,549	-	(91,070,451)	91,070,451	91,070,451	-	-	-	-	35,000,300	35,000,300
Loss for the year	-	-	-	-	-	(105,454,547)	-	-	-	-	(105,454,547)	(261,782)	(105,716,329)
Other comprehensive income for the year	-	-	-	-	-	3,376,175	-	109,971,600	887	109,972,487	113,348,662	-	113,348,662
Total other comprehensive income (loss) for the year	-	-	-	-	-	(102,078,372)	-	109,971,600	887	109,972,487	7,894,115	(261,782)	7,632,333
Balance as at 31 December 2017	4,588,195,611	71,131,343	49,179,549	13,600,000	-	102,415,145	-	4,418,207	27,846	4,446,053	4,828,967,701	34,738,593	4,863,706,294
Balance as at 1 January 2018	4,588,195,611	71,131,343	49,179,549	13,600,000	-	102,415,145	-	4,418,207	27,846	4,446,053	4,828,967,701	34,738,593	4,863,706,294
Loss for the year	-	-	-	-	-	(149,597,325)	-	-	-	-	(149,597,325)	(2,610,199)	(152,207,524)
Other comprehensive loss for the year	-	-	-	-	-	1,057,347	-	(62,284,801)	(4,260,388)	(66,545,189)	(65,487,842)	-	(65,487,842)
Total other comprehensive income (loss) for the year	-	-	-	-	-	(148,539,978)	-	(62,284,801)	(4,260,388)	(66,545,189)	(215,085,167)	(2,610,199)	(217,695,366)
Balance as at 31 December 2018	4,588,195,611	71,131,343	49,179,549	13,600,000	-	(46,124,833)	-	(57,866,594)	(4,232,542)	(62,099,136)	4,613,882,534	32,128,394	4,646,010,928

The accompanying notes form an integral part of these financial statements.

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED 31 DECEMBER

									(Unit : Baht)
Notes	Issued and paid-up share capital	Capital surplus - Common shares	Capital surplus - Treasury shares	Retained earnings			Treasury shares - Common shares	Other components of shareholders' equity Unrealized gain (loss) on valuation of available-for-sale securities	Total
				Legal reserve	Appropriated for treasury shares	Unappropriated			
Separate F/S									
Balance as at 1 January 2017	4,728,445,957	71,131,343	-	13,600,000	91,070,451	96,782,849	(91,070,451)	(105,553,393)	4,804,406,410
Share reduction from treasury shares	27 (140,250,000)	-	49,179,549	-	-	-	91,070,451	-	-
Appropriated for treasury shares	27 -	-	-	-	(91,070,451)	91,070,451	-	-	-
Transactions with owners	(140,250,000)	-	49,179,549	-	(91,070,451)	91,070,451	91,070,451	-	-
Loss for the year	-	-	-	-	-	(6,698,742)	-	-	(6,698,742)
Other comprehensive income for the year	-	-	-	-	-	2,617,403	-	109,971,600	112,589,003
Total other comprehensive income (loss) for the year	-	-	-	-	-	(4,081,339)	-	109,971,600	105,890,261
Balance as at 31 December 2017	4,588,195,611	71,131,343	49,179,549	13,600,000	-	183,771,961	-	4,418,207	4,910,296,671
Balance as at 1 January 2018	4,588,195,611	71,131,343	49,179,549	13,600,000	-	183,771,961	-	4,418,207	4,910,296,671
Loss for the year	-	-	-	-	-	(100,435,539)	-	-	(100,435,539)
Other comprehensive loss for the year	-	-	-	-	-	-	-	(62,284,801)	(62,284,801)
Total other comprehensive income (loss) for the year	-	-	-	-	-	(100,435,539)	-	(62,284,801)	(162,720,340)
Balance as at 31 December 2018	4,588,195,611	71,131,343	49,179,549	13,600,000	-	83,336,422	-	(57,866,594)	4,747,576,331

The accompanying notes form an integral part of these financial statements.

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	2018	2017	2018	2017
Cash flows from operating activities				
Loss before income tax	(143,297,045)	(120,433,625)	(101,632,744)	(4,798,829)
Adjustments to reconcile loss before income tax to net cash provided from (used in) operating activities:				
Depreciation and amortization expenses	77,401,147	61,066,355	69,506,747	61,002,753
Unrealized loss (gain) on exchange rate	(35,477)	2,031	(35,477)	2,031
Unrealized loss (gain) on revaluation of temporary investment	379	(389)	379	(389)
Share of loss (gain) from investments in associated company and joint venture	(8,510,178)	84,580,391	-	-
Loss on impairment of investment in associated company	-	-	-	19,043,485
Provision for doubtful accounts	2,610,577	7,749,814	2,610,577	7,749,814
Gain on disposal of other investment	(42,000,000)	-	(42,000,000)	-
Allowance (reversal of allowance) for detective inventories	24,081,253	(867,813)	24,081,253	(867,813)
Gain on disposal of assets	-	(280,374)	-	(30,128,509)
Loss on write-off fixed assets	3,580,161	13,760	3,570,711	13,760
Loss on withholding tax written - off	512,420	15,247	512,420	15,159
Provisions for employee benefits obligation	8,782,616	7,477,612	7,868,629	5,180,083
Interest income	(151,732)	(742,593)	(301,869)	(700,651)
Interest expense	41,934,469	16,338,325	41,325,871	31,257,624
Dividend income	(2,408,670)	-	(2,408,670)	-
Cash flows provided from (used in) operations before changes in operating Assets and Liabilities	(37,500,080)	54,918,741	3,097,827	87,768,518
Decrease (Increase) in operating assets				
Trade and other accounts receivable	(15,808,075)	81,639,302	(2,924,218)	71,052,457
Inventories	(154,550,556)	(95,451,703)	(81,479,602)	(95,451,703)
Other current assets	(41,932,678)	(18,843,688)	(6,531,348)	(1,763,646)
Retention receivables	(34,099,950)	(2,173,757)	(34,099,950)	(2,173,757)
Other non - current assets	2,719,122	515,531	790,550	515,531
Increase (Decrease) in operating liabilities				
Trade and other accounts payable	162,306,237	8,615,276	122,384,927	147,425
Advances received - general customers	(243,657)	25,335,903	(243,658)	25,335,903
Advances received - related companies	(20,896)	(2,563,904)	(20,896)	(2,563,904)
Other current liabilities	2,567,480	2,520,250	2,377,737	2,341,987
Paid post-employee benefits obligation	(2,760,150)	(3,285,290)	(2,760,150)	(3,285,290)
Other non - current liabilities	346	48,577	346	48,577
Cash provided from (used in) operations	(119,322,857)	51,275,238	591,565	81,972,098
Interest payment	(56,842,391)	(27,031,844)	(38,097,067)	(34,574,112)
Cash refund from withholding tax	6,178,043	20,195,076	6,178,043	20,195,076
Income tax payment	(5,281,029)	(2,912,848)	(5,160,302)	(2,763,216)
Net cash provided from (used in) operating activities	(175,268,234)	41,525,622	(36,487,761)	64,829,846

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED 31 DECEMBER

	(Unit : Baht)			
	CONSOLIDATED F/S		SEPARATE F/S	
	2018	2017	2018	2017
Cash flows from investing activities				
Increase in investments in subsidiary	-	-	-	(164,999,925)
Decrease in short - term investment	-	50,001,000	-	50,001,000
Decrease in restricted deposits with banks	27,930,000	37,170,000	27,930,000	37,170,000
Paid for loan to subsidiary	-	-	(23,650,000)	-
Receipt from loan to subsidiary	-	-	23,650,000	-
Proceeds from disposal of other investment	42,000,000	-	42,000,000	-
Purchases of fixed assets	(366,495,133)	(445,300,051)	(44,321,248)	(264,548,633)
Purchases of software program	(440,000)	(4,720,000)	(440,000)	(4,720,000)
Proceeds from disposal fixed assets	-	280,375	-	130,280,375
Dividend received	2,408,670	-	2,408,670	-
Interest received	174,522	791,878	324,659	749,936
Net cash provided from (used in) investing activities	(294,421,941)	(361,776,798)	27,902,081	(216,067,247)
Cash flows from financing activities				
Increase (decrease) in short - term loans from financial institutions	252,090,130	(78,489,306)	174,073,641	28,326,057
Repayments of long - term loans from financial institutions	(149,500,000)	(78,000,000)	(103,200,000)	(78,000,000)
Proceeds from long - term loans from financial institutions	448,734,116	503,975,884	19,430,752	180,569,248
Repayments of fixed asset payable	(72,705,238)	(90,687,590)	-	(16,719,984)
Proceeds from loans from subsidiary	-	-	(61,500,000)	-
Repayments of liabilities under finance lease agreement	(251,184)	(309,760)	(251,184)	(309,760)
Increase in non - controlling interests	-	35,000,300	-	-
Net cash provided from financing activities	478,367,824	291,489,528	28,553,209	113,865,561
Translation adjustments for foreign currency financial statements	(3,504)	887	-	-
Net increase (decrease) in cash and cash equivalents	8,674,145	(28,760,761)	19,967,529	(37,371,840)
Cash and cash equivalents at beginning of year	29,755,936	58,516,697	17,994,643	55,366,483
Cash and cash equivalents at end of year	38,430,081	29,755,936	37,962,172	17,994,643
Supplemental disclosures for cash flows information				
Non - cash items :				
- Unrealized gain (loss) on available - for - sales securities	(77,856,001)	137,464,500	(77,856,001)	137,464,500
- Purchased of asset under finance lease agreements	-	657,500	-	657,500
- Purchased of assets which have not been paid yet	64,105,869	72,705,238	-	-
- Transferred inventories to fixed assets	5,575,172	6,270,690	5,575,172	6,720,690
- Accrued transfer fee from land's sale	-	-	-	4,251,000

GENERAL ENGINEERING PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. NATURE OF OPERATIONS

General Engineering Public Company Limited and subsidiaries ("Group") engaged in manufacturing and selling of concrete products such as concrete pile, glass fiber reinforced concrete (GRC), electric concrete pile, diaphragm wall and barrette pile, and providing the manufacturing and installation services for such products. A subsidiary is engaged in manufacturing and selling concrete spun pile, which is in the process of construction. Another subsidiary is engaged in manufacturing and selling the special qualified PC wire and PC Strand which is starting its operations and sale of goods since October 2018.

2. GENERAL INFORMATION AND STATEMENT OF COMPLIANCE WITH TFRS

General Engineering Public Company Limited (the "Company") was incorporated in Thailand and has its registered office at 44/2 Moo 2 Tivanont Road, Bangkokdi, Muang Pathumthani, Pathumthani District.

The accompanying consolidated and separate financial statements have been prepared in accordance with the Accounting Act B.E. 2543, Thai Financial Reporting Standards ("TFRS") issued under the Accounting Professions Act B.E. 2547 and the financial reporting requirements promulgated by the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535. These consolidated and separate financial statements are officially prepared in Thai language. The translation of these consolidated and separate financial statements to other languages must be in compliance with the official report in Thai.

3. BASIS OF FINANCIAL STATEMENT PREPARATION

3.1 Basis of preparation

The consolidated and separate financial statements have been prepared on accrual basis and under the historical cost convention except the investment in available - for - sales securities which measurement bases by fair value as explained in Note 14 and the employee benefits obligation which measurement bases by present value of the defined benefit obligation as explained in Note 25. Monetary amounts are expressed in Baht currency.

3.2 New and revised financial reporting standards, interpretations and guidance

3.2.1 Amendments and interpretations to existing Standards that are effective from 1 January 2018

The Federation of Accounting Professions has issued revised Thai Financial Reporting Standards (TFRS), interpretations and guidance, that are effective for annual accounting periods beginning on or after 1 January 2018. The changes were to align with the corresponding International Financial Reporting Standards where most of the changes are relating to the revision of wording and terminology, and the provision of interpretations and accounting guidance to users of the standards.

The adoption of these revised TRFS has not had a material impact on the consolidated and separate financial statements except for the addition disclosures required under TAS 7 (see Note 33).

3.2.2 New Standards that are effective from 1 January 2019

During the year, the Federation of Accounting Professions issued Thai Financial Reporting Standard No. 15 “Revenue from Contracts with Customers” (TFRS 15). TFRS 15 is effective for annual accounting periods beginning on or after 1 January 2019, and presents new requirements for the recognition of revenue, replacing Thai Accounting Standard No. 18 “Revenue”, Thai Accounting Standard No.11 “Construction Contracts”, and several revenue-related Interpretations. The new standard establishes a control-based revenue recognition model and provides additional guidance in many areas which are limited in detail under existing Thai Financial Reporting Standards.

The Group’s management has assessed that the impact on the financial statements is immaterial on revenue and others related accounts when new standard is initial applied.

3.2.3 New Standards that are effective from 1 January 2020

During the year, the Federation of Accounting Professions issued Thai Financial issue several TFRSs for financial instruments, which consists of TFRS 9 “Financial instruments”, TAS 32 “Financial instruments: Presentation”, TFRS 7 “Financial instruments: Disclosure”, TFRIC 16 “Hedges of a Net Investment in a Foreign Operation” and TFRIC 19 “Extinguishing Financial Liabilities with Equity Instruments”, which are effective for annual accounting periods beginning on or after 1 January 2020. The new TFRS establish new requirements relating to the definition, recognition, classification, measurement, impairment of financial assets and liabilities, as well as providing guidance on hedge accounting.

The Group will adopt these new standards when they become effective, and management is in the process to assess the impact on the financial statements in the period of initial application.

4 SUMMARY OF ACCOUNTING POLICIES

4.1 Basis of consolidation

The Group financial statements consolidate those of the parent company and all of its subsidiaries as of 31 December 2018. All subsidiaries have a reporting date of 31 December.

All transactions and balances between Group companies are eliminated on consolidation, including unrealized gains and losses on transactions between Group companies. Where unrealized losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognized from the effective date of acquisition, or up to the effective date of disposal, as applicable (if any).

The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

4.2 Foreign currency translation

Functional and presentation currency

The consolidated financial statements are presented in currency Thai Baht, which is also the functional currency of the parent company.

Foreign currency transactions and balances

Foreign currency transactions are translated into Thai Baht, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognized in statement of profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

Foreign operations

In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than Thai Baht are translated into Thai Baht upon consolidation there are translated using the exchange rates at the date when fair value was determined. Currency using in operating of Group entities are not change in during period.

In the Group's financial statements, all assets, liabilities have translated into Baht by closing rate as at report date. Revenue and expense of foreign operations translated into Baht by using average rate in during year. All resulting exchange differences are recognized in other comprehensive income and presentation to different from exchange rate in shareholders' equity. When the company has disposal, foreign operations resulting exchange differences in shareholders' equity are reclassification into gain or loss and recognized to gain or loss from disposal.

4.3 Related parties

Related parties comprise enterprises and individuals that control, or are controlled by the Group, whether directly or indirectly, or which are under common control with the Group. They also include associated companies and individuals which directly or indirectly own a voting interest in the Group that gives them significant influence over the Group, key management personnel, directors and officers with authority in the planning and direction of the Group's operations.

4.4 Revenue

Revenue arises from the sale of goods and the rendering of services. It is measured at the fair value of consideration received or receivable, excluding value added taxes, and reduced by any rebates and trade discounts allowed.

Sales of goods including installment services

A sale of goods including installment is recognized when the Group have transferred to the buyer the significant risks and rewards of ownership, generally when the customer has accepted testing run goods result after installment.

Sales of goods

A sale of goods is recognized when the Group have transferred to the buyer the significant risks and rewards of ownership, generally when the customer has taken undisputed delivery of the goods.

Rental income

Rental income is recognized on a straight –line basis over the period of the lease agreement.

Dividend income

Dividend income is recognized in the statement of profit or loss on the date the Group are entitled to receive dividend which, in the case of listed companies, is usually at the ex-dividend date.

Interest income

Interest income is recognized over time – period on an accrued basis.

4.5 Operating expenses

Operating expenses are recognized in profit or loss upon utilization of the service or as incurred.

4.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

4.7 Cash and cash equivalents

Cash and cash equivalents include cash on hand and highly liquid cash in banks (which do not have restriction of use) that are readily convertible to cash with insignificant risk of change in value.

Restricted deposits with banks are presented under non -current assets in the statements of financial position.

4.8 Trade accounts receivable

Trade accounts receivable are stated at the net realizable value. Allowance for doubtful accounts is provided for the estimated losses that may incur in collection of receivables. These losses are based on historical collection experiences and the review of the current status of existing receivables.

4.9 Inventories

Inventories comprise raw materials, supplies and finished goods. Inventories are stated at the lower of cost or net realizable value.

Cost is calculated using the first-in, first-out method, and comprises all costs of purchase, costs of conversion and other costs that bring the inventories to their present location and condition. In the case of manufactured finished goods and work-in-process, cost includes an appropriate share of overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

An allowance is made for all deteriorated, damaged, obsolete and slow-moving inventories.

4.10 Investments

Investments in subsidiaries, associated companies and joint venture

Investments in subsidiaries, associated companies and joint venture in the separate financial statements are accounted for using the cost method less allowance for impairment. Investments in associated companies and joint venture in the consolidated financial statements are accounted for using the equity method.

Joint arrangement

A joint arrangement is an arrangement of which two or more parties have joint control. A joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

In consolidated financial statements, under the equity method of accounting, interests in joint ventures are initially recognized at cost and adjusted thereafter to recognize the Company's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Company's share of losses in a joint venture equals or exceeds its interests in the joint ventures, the Company will recognize such losses as obligation of the Company's interest in the joint ventures.

Investments in other equity securities

Marketable equity securities held for trading are classified as current assets and are presented at fair value, with any resultant gain or loss on revaluation recognized in the statement of profit or loss.

Marketable equity securities other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale securities and are presented at fair value, with any resultant gain or loss on revaluation recognized directly in equity.

Equity securities which are not marketable are presented at cost less allowance for impairment.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss on revaluation that was reported in equity is recognized in the statement of profit or loss.

4.11 Property, plant and equipment

Land

Land is carried at cost. As in finite useful life for land can be determined, related carrying amounts are not depreciated.

Buildings and equipment

Buildings and equipment are initially recognized at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the Group's management. Buildings and equipment are subsequently measured at cost less accumulated depreciation and impairment losses (if any).

Depreciation

Depreciation is charged on a straight-line basis over the estimated useful lives of each asset. The estimated useful lives are as follows :

Buildings and building improvements	5 - 30 years
Buildings and improvements on leased land	upon of lease period
Machinery and equipment	5 - 50 years
Furniture, fixtures and office equipment	5 years
Vehicles	5 years

No depreciation is applied for land and construction in progress.

Residual value estimates and estimates of useful life are updated as required, but at least annually.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognized in profit or loss within other income or other expenses.

4.12 Software program

Software program with finite useful lives is presented at cost less accumulated amortization and loss for impairment (if any). Amortization is recognized in the statement of profit and loss. Amortization is calculated by reference to cost on a straight -line basis.

4.13 Investment property

Investment property included land not used in operation of the Group and is initially recorded as cost plus transaction cost. This is presented at cost less allowance for impairment.

4.14 Lease assets

Finance leases

Management applies judgment in considering the substance of a lease agreement and whether it transfers substantially all the risks and rewards incidental to ownership of the leased asset. Key factors considered include the length of the lease term in relation to the economic life of the asset, the present value of the minimum lease payments in relation to the asset's fair value, and whether the Group obtains ownership of the asset at the end of the lease term.

For the depreciation methods and useful lives for assets held under finance leases, please see Note 4.11.

Operating leases

All other leases are treated as operating leases. Where the Group is a lessee, payments on operating lease agreements are recognized as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

4.15 Impairment of assets

The Group assesses whether there is an indication that any asset may be impaired. If any such indication exists, the Group makes an estimate of the asset recoverable amount. Where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment loss is recognized in the statement of profit or loss. An asset recoverable amount is the higher of fair value less costs to sell and value in use.

4.16 Trade and other accounts payable

Trade and other accounts payable are stated at cost.

4.17 Equity

Share capital represents the nominal (par) value of shares that have been issued.

Share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Other components of equity include unrealized gain (loss) on valuation of available - for - sales securities and translation adjustments for foreign currency and the company will recognized to statement of profit or loss when they the company has disposal of related investment.

Retained earnings includes all current and prior period retained profits

All transactions with owners of the parent are recorded separately within equity.

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting or Board of Directors of the Company prior to the reporting date.

4.18 Short-term employee benefits and post-employment benefits

Short-term employee benefits

Short-term employee benefits, including salaries, bonuses and contributions to the social security are expensed when incurred.

Other long-term benefits

The Group pay other long -term benefits to employees every 10 yearsof service for Baht 4,000, 15 years for Baht 8,000, 20 years for Baht 12,000, 25 years for Baht 16,000 and 30 years onward for Baht 20,000. The employee benefits expenses are recognized in the statement of profit or loss to allocate the expense throughout the hiring period. Actuarial gains or losses arising from changes in actuarial assumptions are recognized in profit or loss when incurred.

Management estimates the provision for other long -term benefits annually with the assistance of independent actuaries.

Post-employment benefit plans

The Company and its subsidiary provide post-employment benefits through defined contribution, and defined benefit plans.

Defined contribution plans

The Group set up a registered provident fund that is contributed to by employees and by the Group for which assets are held in a separate trustee fund and managed by an authorized fund manager. The Group have no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognized as an expense in the period that related employee services are received.

Defined benefit plans

The Group has a legal obligation to pay retirement benefits by reference to the employee's length of service and final salary. The legal obligation for any benefits remains with the Group. The liability recognised in the statement of financial position for defined benefit plans is the present value of the defined benefit obligation (DBO) at the reporting date.

Management estimates the DBO annually with the assistance of independent actuaries. This is based on salary growth rate, turnover and mortality. Discount factors are determined close to each year-end by reference to Thai government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension liability.

Actuarial gains or losses arising from changes in actuarial assumptions are recognized in other comprehensive income when incurred and directly transferred to retained earnings.

4.19 Income tax

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred taxes are calculated using the liability method.

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Group forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

Deferred tax liabilities are generally recognized in full, although TAS 12 “Income Taxes” specifies limited exemptions.

4.20 Basic earnings (loss) per share

Basic earnings (loss) per share are determined by dividing the profit (loss) for the year by the weighted average number of common shares outstanding during the year.

4.21 Financial instruments

The Group have no policy to speculate in or be engaged in the trading of any financial derivative instruments.

Financial instruments carried in the statement of financial position include cash and cash equivalents, trade accounts receivable, trade accounts payable and loans from financial institutions. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

4.22 Provisions, contingent assets and contingent liabilities

Provisions for product warranties, legal disputes, onerous contracts or other claims are recognized when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Group and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Restructuring provisions are recognized only if a detailed formal plan for the restructuring exists and management has either communicated the plan's main features to those affected or started implementation. Provisions are not recognized for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Group is virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognized if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

4.23 Significant management judgement in applying accounting policies and estimation uncertainty

When preparing the financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Significant management judgement

The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect on the financial statements.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilized (see Note 4.19).

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Account receivables

The Group provides allowances for doubtful accounts to reflect impairment of trade accounts receivable to estimated losses resulting from the inability of customers to make required payments. The allowances are based on consideration of historical collection experiences coupled with a review of outstanding receivables at the end of year. Actual results may be substantially different.

Inventories

Management estimates the net realizable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realization of these inventories may be affected by global market changes that may reduce future selling prices.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets.

Impairment on assets

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses discount rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Defined benefit obligation

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the amount and the annual defined benefit expenses (see Note 25).

5. INTERESTS IN SUBSIDIARIES

5.1 Composition of the Group

The consolidated financial statements include the following subsidiaries :

Subsidiary companies	Establish in	Percentage of Shareholding		Type of businesses
		2018	2017	
Seven Wire Co., Ltd.	Thai	99.99	99.99	Manufacturing and sell the special qualified PC Wire and PC Strand
General Engineering Mauritius Limited.	Mauritius	99.99	99.99	Investment business
General Nippon Concrete Industries Co., Ltd.	Thai	82.50	82.50	Manufacturing and sell concrete spun pile

Subsidiary

Subsidiary is an entity controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiary are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

5.2 Subsidiary with material non-controlling interests (NCI)

The following table summarizes the information relating to the Company's subsidiary for the year ended 31 December 2018 and for the period from 6 June 2017 to 31 December 2017.

Name	Proportion of ownership interests and voting rightsheld by the NCI		Total comprehensive of allocated to NCI		Accumulated NCI	
	2018	2017	2018	2017	2018	2017
General Nippon Concrete Industries Co., Ltd.	17.50	17.50	(2,611)	(262)	32,128	34,739

No dividends were paid to non-controlling interest for the year ended 31 December 2018.

Information the equity of the non-controlling interest of the Company's subsidiaryas follow:

	(Unit: Thousand Baht)	
	31 December 2018	31 December 2017
Statement of financial position		
Non-controlling interest percentage	17.50	17.50
Current assets	43,401	13,600
Non-current assets	561,430	199,851
Current liabilities	(81,488)	(14,946)
Non-current liabilities	(339,754)	-
Net asset	183,589	198,505
Carrying amount of non-controlling interest	32,128	34,738

	(Unit : Thousand Baht)	
	For the years ended 31 December	
	2018	2017
Statement of profit or loss and other comprehensive income		
Loss for the year	(14,915)	(1,496)
Total comprehensive loss	(14,915)	(1,496)

	(Unit : Thousand Baht)	
	For the years ended 31 December	
	2018	2017
Loss allocated to non-controlling interest	(2,611)	(262)
Total comprehensive loss of non-controlling interest	(2,611)	(262)
Cash and cash equivalents		
Net cash used in operating activities	(21,899)	(5,904)
Net cash used in investing activities	(332,961)	(196,177)
Net cash provided from financing activities	346,161	211,224
Net Increase (decrease) in cash and cash equivalents	(8,699)	9,143

6. INVESTMENTS IN ASSOCIATED COMPANY AND JOINT VENTURE

6.1 Investments in Overseas Joint Venture

Joint Venture	Registered Country	Percentage		Type of business
		2018	2017	
Wisdom Tree Investment (S) PTE.Limited	Singapore	45.00	45.00	Investment in overseas

Wisdom Tree Investment (S) PTE. Limited has its investment portion at 100% in MillconThiha GEL Limited, an entity incorporated in Myanmar and is engaged in manufacture and distribute formed steel products in Myanmar with a capital fund of USD 12 million. The equity method of Wisdom Tree Investment (S) PTE. Limited in the consolidated financial statements has included the operation of MillconThiha GEL Limited.

Significant financial information of the overseas joint venture in the aggregate amounts are summarized as follows :

	(Unit : Thousand Baht)	
	31 December 2018	31 December 2017
Statement of financial position		
Current assets	197,584	251,023
Non-current assets	451,276	464,898
Current liabilities	(239,260)	(261,206)
Non-current liabilities	(75,340)	(75,877)
Net Assets	334,260	378,838
Cash and cash equivalents included in current assets	1,278	13,050
Non-current financial liabilities (excluding trade and other payables and provisions for liabilities) included in non-current liabilities	(75,340)	(75,877)

	(Unit : Thousand Baht)	
	For the years ended 31 December	
	2018	2017
Statement of profit or loss and other comprehensive income		
Revenue	275,626	166,360
Loss for the year	(32,756)	(6,889)
Total comprehensive loss	(32,756)	(6,889)
Depreciation and amortization expense	12,308	10,350
Interest expense	10,016	9,021

Reconciliation of the financial information with the Overseas Joint Venture's equity which recognized in consolidation financial statements:

	(Unit : Thousand Baht)	
	2018	2017
Net assets of overseas joint venture	334,260	378,838
Proportion of shareholder in Wisdom Tree Investment (S) PTE. limited (percentage)	45	45
Carrying amount of investment in overseas joint venture	150,417	170,477

During the years ended 31 December 2018 and 2017, the Company did not receive dividends from overseas joint venture.

6.2 Investments in associated

Associated	Registered Country	Percentage of shareholding		Type of business
		2018	2017	
Metric Public Company Limited	Thai	32.65	32.65	Construction and System installation services

Summarized financial information for Associated companies below:

	(Unit: Thousand Baht)	
	31 December 2018	31 December 2017
Statements of Financial Position		
Current assets	1,301,251	605,214
Non-current assets	271,717	220,735
Current liabilities	(1,225,985)	(632,727)
Non-current liabilities	(35,683)	(31,330)
Net assets	311,300	161,892
Cash and cash equivalents include in current assets	25,680	117,238
Current financial liabilities (excluding trade and other payables and provisions for liabilities) include current liabilities	(380,493)	(131,081)
Non-current financial liabilities (excluding trade and other payables and provisions for liabilities) include Non-current liabilities	(3,232)	(6,306)

	(Unit: Thousand Baht)	
	For the years ended 31 December 2018	2017
Statement of Profit or Loss and Other comprehensive Income		
Revenue	2,017,959	1,706,078
Profit (loss) for the year	108,910	(219,220)
Other comprehensive income (loss)	40,498	2,324

Total comprehensive income (loss)	149,408	(216,896)
Depreciation and amortization expense	(13,344)	(7,690)
Interest income	9,341	1,836
Interest expense	(17,698)	(11,317)
Income Tax benefit (expense)	(9,307)	119
Reconciliation of the financial information with the associated company's equity which recognized in consolidation financial statements :		

	(Unit: Thousand Baht)	
	2018	2017
Net assets of associated	311,300	161,892
Portion of shareholder in Mctric Public Company Limited (percentage)	32.65	32.65
Goodwill	83,322	83,322
Other adjustments	(26,617)	(1,085)
Carrying amount of investment in Mctric Public Company Limited	158,344	135,094

During the years ended 31 December 2018 and 2017, the Company did not receive dividends from associated company.

7. TRANSACTIONS WITH RELATED PARTIES

The Company has significant accounting transactions with related parties that are related through common shareholding and/or directorship. Thus, the financial statements reflect the effects of those transactions on the basis agreed upon between the Company and its related parties, which basis might be different from the basis used for transactions with unrelated parties.

Details of related parties are as follow:

Entity name	Located nationality	Type of relationship
<i>Subsidiaries</i>		
Seven Wire Co., Ltd.	Thailand	Subsidiary
General Engineering Mauritius Limited	Mauritius	Subsidiary
General Nippon Concrete Industries Co., Ltd.	Thailand	Subsidiary
<i>Associated company</i>		
Mctric Public Company Limited	Thailand	Associated

Entity name	Located/nationality	Type of relationship
<i>Joint venture</i>		
Wisdom Tree Investment (S) PTE. Limited	Singapore	Joint venture
MillconThiha GEL Limited	Myanmar	Joint venture's subsidiary
<i>Related parties</i>		
Millcon Steel Public Company Limited	Thailand	Invested company
Suntech Metals Co., Ltd.	Thailand	Invested company's subsidiary
MillconBurapa Co., Ltd.	Thailand	Invested company's subsidiary
Millcon Steel Pipe Co., Ltd.	Thailand	Invested company's subsidiary
MillconThiha Limited	Myanmar	Invested company's subsidiary
Saharuam Construction Materials Co., Ltd.	Thailand	Invested company's subsidiary
IBCI - Mctric Joint Venture	Thailand	Associate's joint venture
Thepmongkol- Thai media Joint venture	Thailand	Associate's joint venture
Nippon Concrete Industries Co., Ltd.	Japan	Shareholder of the subsidiary
<i>Management</i>		
Directors and managements	Thai	Key Management

Significant transactions with related parties for the years ended 31 December 2018 and 2017 are as follows:

		(Unit: Thousand Baht)			
		Consolidated F/S		Separate F/S	
		For the years ended 31 December			
	Pricing policy	2018	2017	2018	2017
Transactions with subsidiaries					
Revenue from sales and services	Market price	-	-	19,515	17,789
Rental income	Negotiated price	-	-	5,000	5,000
Gain from sale land	Negotiated price	-	-	-	29,848
Other service	Negotiated price	-	-	-	9,547
Interest income	MLR-0.5 percent p.a.	-	-	191	-
Interest expense	MLR-0.5 percent p.a.	-	-	13,269	14,986
Purchase of raw materials	Market price	-	-	43,124	-
Transactions with associated					
Revenue from sales and services and other	Market price	3,306	20,451	3,306	20,451
Construction cost	Contract price	98,062	158,409	2,490	100,656
Transactions with related parties					
Revenue from sales and services and others	Market price	287	13,129	287	13,129

		(Unit: Thousand Baht)			
		Consolidated F/S		Separate F/S	
		For the years ended 31 December			
	Pricing policy	2018	2017	2018	2017
Purchase of raw materials	Market price	122,078	170,461	122,078	170,461
Transportation expense	Market price	18,106	9,013	18,106	9,013
Construction cost	Contract price	23,744	-	-	-
Management's compensations					
Current employment benefits		31,881	25,022	22,755	25,022
Post-employment benefits		1,445	1,169	1,057	1,169
Total		33,336	26,191	23,812	26,191

Significant balances with related parties for the years ended 31 December 2018 and 2017 are as follows:

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2018	2017	2018	2017
Trade accounts receivable				
Subsidiaries	-	-	85	3,804
Associated	9,642	1,684	9,642	1,684
Related companies	70	4,898	70	4,898
Total	9,712	6,582	9,797	10,386
Other receivables				
Subsidiaries	-	-	7,913	9,139
Associated	1,326	453	-	-
Related companies	51	1,494	-	1,494
Total	1,377	1,947	7,913	10,633
Retention receivables				
Associated	5	-	5	-
Related companies	975	988	975	988
Total	980	988	980	988
Deposit for construction				
Associated	-	1,420	-	-
Related companies	-	1,221	-	-
Total	-	2,641	-	-
Trade accounts payable				
Subsidiaries	-	-	13,872	-
Related companies	56,568	47,683	21,093	47,683
Total	56,568	47,683	34,965	47,683
Other payable				
Associated	7,663	10,917	7,663	7,708
Related companies	1,405	540	-	357
Total	9,068	11,457	7,663	8,065

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2018	2017	2018	2017
Construction payable				
Associated	49,599	22,839	-	-
Related companies	4,178	17,893	-	-
Total	53,777	40,732	-	-
Advances received				
Related companies	-	21	-	21
Loans and accrued interest expense				
Subsidiary	-	-	202,870	262,005
Employment benefits				
Key management	6,155	3,530	4,588	3,530

Movements in loan and accrued interest income from subsidiary company for the year ended 31 December 2018 are as follows:

	(Unit : Thousand Baht)			
	Separate F/S			
	1 January 2018	Increase	Decrease	31 December 2018
Loan and accrued interest income				
Subsidiary company				
Loan	-	23,650	(23,650)	-
Accrued interest income	-	191	(191)	-
Total	-	23,841	(23,841)	-

Loan to subsidiary company is uncollateralized and repayable on demand. This loan bear interest at the rate of MLR – 0.5% per annum.

Movements in loans and accrued interest expense from subsidiary company for the year ended 31 December 2018 are as follows:

(Unit : Thousand Baht)

	Separate F/S		
	1 January 2018	Increase	Decrease 31 December 2018
Loans and accrued interest expense			
Subsidiary company			
Loan	259,500	-	(61,500)
Accrued interest expense	2,505	13,250	(10,885)
Total	262,005	13,250	(72,385)

Loans from subsidiary company is uncollateralized and repayable on demand. These loan bear interest at the rate of MLR – 0.5% per annum.

8. CASH AND CASH EQUIVALENTS

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2018	2017	2018	2017
Cash on hand	648	450	620	440
Cash at banks	37,782	29,306	37,342	17,555
Total	38,430	29,756	37,962	17,995

9. TRADE AND OTHER ACCOUNTS RECEIVABLE

The balances of trade and other accounts receivable as at 31 December 2018 and 2017 are as follows:

			(Unit : Thousand Baht)	
	Consolidated F/S		Separate F/S	
	2018	2017	2018	2017
Trade accounts receivable				
- general customers				
Trade accounts receivable	444,308	431,767	437,887	431,767
Postdated cheques	139	26	139	26
Total trade accounts receivable				
- general customers	444,447	431,793	438,026	431,793
Trade accounts receivable				
- related companies	9,712	6,582	9,797	10,386
Total trade accounts receivable	454,159	438,375	447,823	442,179
<u>Less</u> Allowance for doubtful accounts	(17,298)	(15,097)	(17,298)	(15,097)
Trade accounts receivable - Net	436,861	423,278	430,525	427,082
Other receivables	593	-	-	-
Other receivables- related party	1,377	1,947	7,913	10,633
Total trade and other				
accounts receivable - net	438,831	425,225	438,438	437,715

The balances of trade accounts receivable classified by ages of outstanding balances are as follows:

			(Unit : Thousand Baht)	
	Consolidated F/S		Separate F/S	
	2018	2017	2018	2017
<u>Trade accounts receivable - general customers</u>				
Not yet due	323,504	299,334	317,375	299,334
Past due :				
Not over 3 months	52,202	72,637	51,909	72,637
3 - 6 months	17,569	17,029	17,569	17,029
6 - 12 months	15,234	24,029	15,234	24,029
Over 12 months	35,800	18,738	35,800	18,738
Total	444,308	431,767	437,887	431,767
Postdated cheque	139	26	139	26
Total	444,447	431,793	438,026	431,793

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2018	2017	2018	2017
<u>Trade accounts receivable-related companies</u>				
Not yet due	5,187	2,617	5,187	5,422
Past due :				
Not over 3 months	4,247	3,203	4,332	4,202
3 - 6 months	278	-	278	-
6 - 12 months	-	728	-	728
Over 12 months	-	34	-	34
Total	9,712	6,582	9,797	10,386
Total trade accounts receivable	454,159	438,375	447,823	442,179
<u>Less</u> Allowance for doubtful accounts	(17,298)	(15,097)	(17,298)	(15,097)
Trade accounts receivable - net	436,861	423,278	430,525	427,082

The Company normally grants credit terms to customers ranging from 30 days to 60 days. The management believes that the recorded allowance for doubtful accounts is adequate to cover possible loss which may arise from non-collection of trade receivables.

During the year, the movements in allowance for doubtful accounts are as follows:

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2018	2017	2018	2017
Balance as at 1 January	15,097	7,348	15,097	7,348
<u>Add</u> Allowance for doubtful accounts	5,112	7,749	5,112	7,749
<u>Less</u> Reversal of allowance for doubtful accounts	(2,911)	-	(2,911)	-
Balance as at 31 December	17,298	15,097	17,298	15,097

10. INVENTORIES

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2018	2017	2018	2017
Finished goods	341,675	245,750	302,452	245,750
Work in process	183,712	167,360	180,118	167,360
Raw materials and spare parts	103,471	66,958	73,217	66,958
Goods in transit	527	342	527	342
Total	629,385	480,410	556,314	480,410
<u>Less</u> Allowance for defective inventories	(1,914)	(3,254)	(1,914)	(3,254)
Allowance for declining value of inventories	(25,420)	-	(25,420)	-
Net	602,050	477,156	528,980	477,156

During the year, the movements in allowance for defective inventories and allowance for declining value of inventories are as follows:

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2018	2017	2018	2017
Balance -beginning of the year	3,254	4,121	3,254	4,121
Increase	25,420	-	25,420	-
Decrease	(1,340)	(867)	(1,340)	(867)
Balance -ending of the year	27,334	3,254	27,334	3,254

11. OTHER CURRENT ASSETS

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2018	2017	2018	2017
Advances	10,323	5,061	10,063	4,762
Prepaid expenses	13,082	10,430	10,530	10,230
Undue input VAT	8,983	8,401	3,216	3,307
Accrued interest income	-	23	-	23
VAT receivable	44,419	12,255	-	-

Others	5,723	4,379	5,401	4,379
Total	<u>82,530</u>	<u>40,549</u>	<u>29,210</u>	<u>22,701</u>

12. RESTRICTED DEPOSITS WITH BANKS

As at 31 December 2017, the Company had fixed deposit of Baht 27.93 million, were collateralized for trust receipt agreements as mentioned in Note 20.

13. RETENTIONS RECEIVABLE

As a 31 December 2018 and 2017, the Company has retention receivables of Baht 81.24 million and Baht 47.55 million, respectively. Such retention receivables were the retention money from customers at the rate of 5% - 10% of the amount billed which will be returned when the projects have been accepted as agreement by customers.

14. INVESTMENTS IN AVAILABLE - FOR - SALES SECURITIES AND OTHER INVESTMENT

14.1 Investments in available - for - sales securities

(Unit : Thousand Baht)

Consolidated and Separate F.S						
Number of shares		Percentage of shareholding		Investment value		
2018	2017	2018	2017	2018	2017	
(Thousand shares)	(Thousand shares)					
Security - Millcon Steel Public Company Limited						
778,560	729,900	17.97	18.90	1,279,101	1,279,101	
<u>(Less)</u> Unrealized gain (loss) on available - for - sales securities				(72,333)	5,523	
Available - for - sales securities - net				<u>1,206,768</u>	<u>1,284,624</u>	

During the year 2018

Millcon Steel Public Company Limited increased its share capital. As a result, the Company's percentage of shareholding decreased by 0.93 percent from 18.90 percent to 17.97 percent.

The Company received stock dividend from Millcon Steel Public Company Limited at Baht 0.0267 per share by the ratio of 15 existing share to 1 stock dividend totalling of the Company's portion at 48.66 million shares. The stock dividend has not affected in percentage of shareholding. The Company received cash dividend at Baht 0.0033 per share amounting to Baht 2.41 million.

Movements during for the years ended 31 December 2018 and 2017 of available-for-sales securities are as follows :

	(Unit : Thousand Baht)	
	Consolidated and Separate F/S	
	2018	2017
Book value – beginning balance of the year	1,284,624	1,147,159
Unrealized gain (loss)	(77,856)	137,465
Book value – ending balance of the year	1,206,768	1,284,624

As at 31 December 2018, the Company has warrants of Millcon Steel Public Company Limited as below:

Warrants	Numbers (Million shares)	Exercise price (Baht per shares)	Exercise ratio per common share	Expire date	Fair value (Baht per shares)
MILL-W3	65.83	3	1:1	21 Dec 2019	0.02
MILL-W4	72.66	2.20	1:1	11 Jul 2022	0.13
MILL-W5	155.71	1.80	1:1	10 Jul 2020	0.10

During the year 2018

The Company sold warrants (MILL-W3 and MILL-W4) of Millcon Steel Public Company Limited of 56.15 million shares, amounting to Baht 1.66 million. The Company sold warrant via the stock Exchange of Thailand.

During the year 2017

The Company has converted preferred shares in investments in available-for-sales securities, totaling 249,555,211 shares to common shares which was affected to increase in common shares in investments in available-for-sales securities from 480,344,788 shares to 729,899,999 shares.

14.2 Other investment

(Unit : Thousand Baht)

Consolidated and Separate F/S

	Number of shares		Percentage of shareholding		Investment value	
	2018	2017	2018	2017	2018	2017
	(Thousand shares)	(Thousand shares)				
Equity - Parinda Public Company Limited	-	4,000	-	17.39	-	87,126
<u>Less</u> Accumulated loss on impairment					-	(87,126)
Other investment - net					-	-

During the year 2018

The Company sold all investment in Parinda Public Company Limited to other party of 4 million shares at Baht 10.50 per share totalling Baht 42 million. The Company has received payment and transferred shares on 11 July 2018.

During the period, the movements in allowance for impairment of other investment are as follows:

(Unit : Thousand Baht)

Consolidated and Separate F/S

	2018	2017
Balance - beginning of the year	87,126	87,126
Decrease	(87,126)	-
Balance - ending of the year	-	87,126

15. INVESTMENTS IN SUBSIDIARIES

(Unit : Thousand Baht)

	Paid - up capital		Percentage of shareholding		Cost method	
	2018	2017	2018	2017	2018	2017
General Engineering Mauritius Limited	338	338	99.99	99.99	338	338
Seven Wire Co., Ltd.	280,000	280,000	99.99	99.99	279,999	279,999
General Nippon Concrete Industries Co., Ltd.	280,000	280,000	82.50	82.50	165,000	165,000
Total					<u>445,337</u>	<u>445,337</u>

During the period 2017

The Company established “General Nippon Concrete Industries Company Limited” (subsidiary) under the Joint Venture's agreements with Nippon Concrete Industries Co., Ltd. to manufacture and sell spun pile concrete. The Company has its investment portion at 82.50%. On 23 June 2017, at the subsidiary's Annual General Shareholder's meeting, passed a resolution to increase of registered share capital from the existing registered share capital of Baht 5 million to Baht 200 million by the issued new share capital of 1.95 million shares at Baht 100 per share, totalling Baht 195 million. Such subsidiary has already fully paid-up the share capital, and registered to increase share capital with Department of Business Development on 10 November 2017.

16. INVESTMENTS IN ASSOCIATED COMPANY AND JOINT VENTURE

(Unit : Thousand Baht)

	Paid - up capital		Percentage of shareholding		Cost method		Equity method	
	2018	2017	2018	2017	2018	2017	2018	2017
	(Thousand)	(Thousand)						
Associated company								
Metric Public Company Limited	300,000	300,000	32.65	32.65	185,633	185,633	158,344	135,094
<u>Less</u> Allowance for impairment					(19,044)	(19,044)	-	-
Net					<u>166,589</u>	<u>166,589</u>	<u>158,344</u>	<u>135,094</u>
	(Thousand)	(Thousand)						
	USD)	USD)						
Joint venture								
Wisdom Tree Investment (S)								
PTE. Limited	5,400	5,400	45	45	177,661	177,661	150,417	170,478
					<u>177,661</u>	<u>177,661</u>	<u>150,417</u>	<u>170,478</u>
Investments in associated and joint venture - net					<u>344,250</u>	<u>344,250</u>	<u>308,761</u>	<u>314,082</u>

The Company pledges share of Wisdom Tree Investment (S) PTE Limited to guarantee credit facilities of overseas joint venture as mentioned in Note 35.5.

Movements in investments in associated company and overseas joint venture, which are accounted for by the equity method in the consolidated financial statements, for year ended 31 December 2018 and 2017 are as follows:

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2018	2017	2018	2017
Balance as at 1 January	305,572	389,393	363,294	363,294
Share of profit (loss) from associated company	23,250	(80,721)	-	-
Share of loss from overseas joint venture	(14,740)	(3,100)	-	-
<u>Less</u> Translation adjustments for foreign currency	(5,321)	-	-	-
Allowance for impairment	-	-	(19,044)	(19,044)
Balance as at 31 December	<u>308,761</u>	<u>305,572</u>	<u>344,250</u>	<u>344,250</u>

The investment in MctricPublic Company Limited has indicators of impairment due to the cost of the investment being significantly higher than the net asset value of the associated company.

Impairment testing

For the purpose of the annual impairment testing, the recoverable amount of MctricPublic Company Limited operation was determined based on fair value less cost of disposal. The recoverable amount is higher than carrying amount of investment in consolidated and separate financial statements. However, it is uncertainty, the Company has not reversed allowance for impairment of investment in associated company.

17. PROPERTY, PLANT AND EQUIPMENT

(Unit: Thousand Baht)

	Consolidated F.S							
	Land and improvement	Building and improvement	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Assets under constructions	Deposit	Total
<u>Cost</u>								
1 January 2017	1,030,413	243,999	727,900	49,276	75,568	230,186	27,706	2,385,048
Acquisitions	14,984	575	40,024	5,597	12,478	371,738	71,266	516,662
Borrowing Costs	-	-	7,487	-	-	4,473	-	11,960
Transfer in / (out)	18,157	161,555	55,121	30	-	(185,389)	(42,753)	6,721
Disposals	-	-	(14)	-	(1,244)	-	-	(1,258)
31 December 2017	1,063,554	406,129	830,518	54,903	86,802	421,008	56,219	2,919,133
Acquisitions	1,121	3,226	26,516	7,364	955	205,663	185,185	430,030
Borrowing Costs	-	-	-	-	-	16,018	-	16,018
Transfer in / (out)	-	183,269	260,694	-	-	(417,991)	(19,480)	6,492
Disposals	-	-	(3,490)	-	-	(90)	-	(3,580)
31 December 2018	1,064,675	592,624	1,114,238	62,267	87,757	224,608	221,924	3,368,093
<u>Accumulated depreciation</u>								
1 January 2017	-	24,684	197,888	28,478	49,676	-	-	300,726
Depreciation for the year	-	9,571	35,098	5,045	11,352	-	-	61,066
Depreciation for disposals	-	-	-	-	(1,244)	-	-	(1,244)
31 December 2017	-	34,255	232,986	33,523	59,784	-	-	360,548
Depreciation for the year	222	18,653	42,210	5,870	10,705	-	-	77,660
31 December 2018	222	52,908	275,196	39,393	70,489	-	-	438,208
<u>Net book value</u>								
31 December 2017	1,063,554	371,874	597,532	21,380	27,018	421,008	56,219	2,558,585
31 December 2018	1,064,453	539,716	839,042	22,874	17,268	224,608	221,924	2,929,885
<u>Depreciation for the year 2017</u>								
Costs of services								56,477
Selling and administrative expenses								4,589
Total								61,066
<u>Depreciation for the year 2018</u>								
Costs of services								70,768
Selling and administrative expenses								6,892
Total								77,660

(Unit :ThousandBaht)

Separate F.S

	Land and improvement	Building and improvement	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Assets under constructions	Deposit	Total
Cost								
1 January 2017	737,693	243,999	727,900	49,239	75,567	30,997	20,843	1,886,238
Acquisitions	4,140	575	46,230	4,861	12,478	170,462	26,461	265,207
Borrowing Costs	-	-	1,245	-	-	3,336	-	4,581
Transfer in /(out)	18,157	161,555	55,121	30	-	(185,389)	(42,753)	6,721
Disposals	(95,901)	-	(14)	-	(1,244)	-	-	(97,159)
31 December 2017	664,089	406,129	830,482	54,130	86,801	19,406	4,551	2,065,588
Acquisitions	-	7,418	24,865	2,304	955	7,863	-	43,405
Transfer in /(out)	-	15,912	9,385	-	-	(14,849)	(3,956)	6,492
Disposals	-	-	(3,490)	-	-	(81)	-	(3,571)
31 December 2018	664,089	429,459	861,242	56,434	87,756	12,339	595	2,111,914
Accumulated depreciation								
1 January 2017	-	24,684	197,888	27,997	49,676	-	-	300,245
Depreciation for the year	-	9,571	35,096	4,984	11,352	-	-	61,003
Depreciation for disposals	-	-	-	-	(1,244)	-	-	(1,244)
31 December 2017	-	34,255	232,984	32,981	59,784	-	-	360,004
Depreciation for the year	-	14,328	38,886	5,344	10,705	-	-	69,263
31 December 2018	-	48,583	271,870	38,325	70,489	-	-	429,267
Net book value								
31 December 2017	664,089	371,874	597,498	21,149	27,017	19,406	4,551	1,705,584
31 December 2018	664,089	380,876	589,372	18,109	17,267	12,339	595	1,682,647
Depreciation for the year 2017								56,477
Costs of services								4,526
Selling and administrative expenses								61,003
Total								
Depreciation for the year 2018								63,612
Costs of services								5,651
Selling and administrative expenses								69,263
Total								

As at 31 December 2018 and 2017, the consolidated and separate financial statements had cost of fully depreciated assets that are still in use are Baht254.06 million and Baht 209.27 million, respectively

As at 31 December 2018, the net carrying amount of assets under the finance lease agreement amounted to Baht 0.95million.

For the year ended 31 December 2017, the Company has sold its land to subsidiary to construction factory based on the appraised value of an independent appraiser who was approved by the Securities and Exchange Commission of Baht 130 million, as a result of gain on disposal assets is Baht 29.85 million in the separated financial statements.

Machinery and parts of the Company's land and buildings have been mortgaged as collaterals for credit facilities with a bank as disclosed in Note 20.

18. SOFTWARE PROGRAM

(Unit : Thousand Baht)

Consolidated and separate F/S

	Program computer	Program computer under installation	Total
Cost			
1 January 2017	-	4,521	4,521
Acquisitions	-	4,720	4,720
31 December 2017	-	9,241	9,241
Acquisitions	440	-	440
Transfer in /(out)	9,241	(9,241)	-
31 December 2018	9,681	-	9,681
Accumulated amortization			
1 January 2017	-	-	-
Amortization	-	-	-
31 December 2017	-	-	-
Amortization	244	-	244
31 December 2018	244	-	244
Net book value			
31 December 2017	-	9,241	9,241
31 December 2018	9,437	-	9,437
Amortization expense during the year 2018			
Administrative expense			244

19. INVESTMENT PROPERTY

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2018	2017	2018	2017
Land	1,001,379	1,001,379	1,294,099	1,294,099
<u>Less</u> Allowance for impairment	(4,872)	(4,872)	(4,872)	(4,872)
Net	996,507	996,507	1,289,227	1,289,227
Buildings and buildings improvement	320	320	320	320
<u>Less</u> Accumulated depreciation	(200)	(200)	(200)	(200)
Net	120	120	120	120
Investment property - net	996,627	996,627	1,289,347	1,289,347

As at 31 December 2018, the net cost of investment property (land) of the Company is Baht 997 million (Separate F/S: Baht 1,289 million). The Company has appraised fair value of investment property (land) and the fair value is higher than book value.

As at 31 December 2018, fair value of the investment properties are Baht 1,304.63 million.

20. SHORT - TERM LOANS FROM FINANCIAL INSTITUTIONS

	(Unit : Thousand Baht)					
	Interest rate per annum		Consolidated F/S		Separate F/S	
	(Percent)					
	2018	2017	2018	2017	2018	2017
Liabilities under trust receipt agreements	3.75-7.00	3.75-7.00	41,443	16,682	3,496	5,458
Promissory note	5.25	5.25	225,500	24,000	200,000	24,000
Overdraft	7.13	-	25,793	-	-	-
Total short - term loans from financial institutions			292,736	40,682	203,496	29,458

Short - term loan from financial institution of the Group are collateralized by mortgages of land and machinery and deposit at bank of the Group.

21. TRADE AND OTHER ACCOUNTS PAYABLE

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2018	2017	2018	2017
Trade accounts payable				
– general suppliers	379,260	268,215	368,775	268,215
Trade accounts payable				
– related companies	56,568	47,683	34,965	47,683
Construction payable – general suppliers	10,329	31,973	-	-
Construction payable – related companies	53,777	40,732	-	-
Other payable – general suppliers	1,701	-	-	-
Other payable – related companies	9,068	11,457	7,663	8,065
Accrued cost	74,071	30,688	74,071	30,688
Accrued expenses	39,887	40,156	30,271	38,723
Total trade and other accounts payable	624,661	470,904	515,745	393,374

22. ADVANCES RECEIVED – GENERAL CUSTOMERS

As at 31 December 2018 and 2017, the Company has advances received from general customers of Baht 100.37million and Baht 100.61 million, respectively. These advances received will be deducted based on contracts when transferred goods to the customer.

23. OTHER CURRENT LIABILITIES

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2018	2017	2018	2017
Vat payable	7,200	4,523	7,085	4,494
Withholding tax payable	2,704	3,401	2,447	3,247
Retention payable	210	1,249	210	1,249
Others	2,323	697	2,323	697
Total	12,437	9,870	12,065	9,687

24. LONG - TERM LOANS FROM FINANCIAL INSTITUTIONS

	(Unit: Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2018	2017	2018	2017
Long - term loans				
Credit Baht 390.00 million	128,109	206,109	128,109	206,109
Credit Baht 140.00 million	122,450	131,236	122,450	131,236
Credit Baht 60.00 million	52,350	49,334	52,350	49,334
Credit Baht 225.50 million	196,700	222,077	-	-
Credit Baht 174.50 million	157,000	101,330	-	-
Credit Baht 150.00 million	125,760	-	-	-
Credit Baht 250.00 million	226,950	-	-	-
Total	1,009,319	710,086	302,909	386,679
<u>Less</u> Current portion	(193,500)	(432,979)	(111,600)	(386,679)
Net	815,819	277,107	191,309	-

Movements in long - term loans from financial institutions as at 31 December 2018 and 2017 are follows:

	(Unit: Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2018	2017	2018	2017
Balance - beginning of the year	710,086	284,109	386,679	284,109
<u>Add</u> Additional borrowings	142,016	503,977	19,430	180,570
Transfer from short - term loan from financial institution	306,717	-	-	-
<u>Less</u> Repayment	(149,500)	(78,000)	(103,200)	(78,000)
Balance - ending of the year	1,009,319	710,086	302,909	386,679

Long-term loans credit facilities of the Company as follow:

Type of credit facilities	Credit facilities (Million Baht)		Interest	Period	Repayment term	Objective
	2018	2017				
Long - term loan	390.00	390.00	Monthly payment at MLR - 0.5 percent p.a.	5 years From 2016 to 2020	- 1 st -18 th payment is grace period - 19 th onward repayment of Baht 6.5 million per month	Plant construction for produce Precast concrete
Long - term loan	140.00	140.00	Monthly payment at MLR - 1 percent p.a.	7 years From 2017 to 2024	- 1 st -12 th payment is grace period - 13 th onward repayment of Baht 1.95 million per month	Plant construction for prestressed concrete pile
Long - term loan	60.00	60.00	Monthly payment at MLR - 1 percent p.a.	7 years From 2017 to 2024	- 1 st -12 th payment is grace period - 13 th onward repayment of Baht 0.85 million per month	Purchase machinery and equipment for prestressed concrete pile
Total	590.00	590.00				

Such loan has conditions to maintain debt to equity ratio not over 2.0 times and DSCR not less than 1.20 times of the separate financial statements and the beneficiary of insurance on construction is transferred to bank.

As at 31 December 2018, the Company was unable to maintain the financial ratio as stipulated in the loan agreement with the financial institution which was not compliance according with loan agreement's condition. However, the Company has obtained consent letter from financial institution within the reporting period.

As at 31 December 2017, the Company was unable to maintain the financial ratio as stipulated in the loan agreement with the financial institution which was not compliance according with loan agreement's conditions. Therefore, the Company has presented the balance of loans from financial institution as current liabilities in the statement of financial position. After the reporting period, the Company has obtained the consent letter from financial institutions which will not call repayment such loan in fully amount.

Long-term loans credit facilities of the subsidiaries as follow:

Type of credit facilities	Credit facilities (Million Baht)		Interest	Period	Repayment term	Objective
	2018	2017				
Long - term loan ML (1)	174.50	174.50	Monthly payment at MLR - 2 percent p.a.	7 years From 2017 to 2024	- 1 st -12 th payment is grace period - 13 th onward repayment of Baht 2.50 million per month	Plant construction for special qualified PC Wire and PC Stand
Long - term loan ML (2)	225.50	225.50	Monthly payment at MLR - 2 percent p.a.	7 years From 2017 to 2024	- 1 st -12 th payment is grace period - 13 th onward repayment of Baht 3.20 million per month	Purchase of machinery and equipment related with manufacturing of special qualified PC Wire and PC Stand
Long - term loan ML (3)	150.00	-	Monthly payment at MLR - 1 percent p.a.	6 years From 2019 to 2025	- 1 st -12 th payment is grace period - 1 st -24 th onward repayment of Baht 1.50 million per month - 25 th -48 th onward repayment of Baht 2.00 million per month - 49 th -71 th onward repayment of Baht 2.75 million per month - 72 th onward repayment of remaining	Plant construction for spun pile concrete.
Long - term loan ML (4)	250.00	-	Monthly payment at MLR - 1 percent p.a.	6 years From 2019 to 2025	- 1 st -12 th payment is grace period - 1 st -24 th onward repayment of Baht 3.00 million per month - 25 th -48 th onward repayment of Baht 3.50 million per month - 49 th -71 th onward repayment of Baht 3.90 million per month - 72 th onward repayment of remaining	Purchase of machinery and equipment related with manufacturing of spun pile concrete.
Total	800.00	400.00				

Long - term loan of subsidiaries has conditions to maintain debt to equity ratio and debt service coverage ratio and the Company must hold shares in subsidiaries as specified in agreement and the beneficiary of insurance on construction is transferred to bank.

As at 31 December 2018, Subsidiaries was unable to maintain the financial ratio as stipulated in the loan agreement with the financial institution which was not compliance according with loan agreement's condition. However, Subsidiaries has obtained consent letter from financial institution within the reporting period.

Those credit facilities are collateralized by the mortgages of machinery and land and construction and deposit at bank as disclosed in Notes 12 and 17.

25. EMPLOYEE BENEFITS OBLIGATION

25.1 Employee benefits expense

Expenses recognised for employee benefits are as follow :

			(Unit : Thousand Baht)	
	Consolidated F/S		Separate F/S	
	2018	2017	2018	2017
Salaries and wages	340,092	271,772	309,184	261,149
Social security costs	7,880	6,568	7,406	6,455
Pensions – defined benefit plans	5,437	4,782	5,025	4,675
Total	353,409	283,122	321,615	272,279

25.2 Employee benefits obligation

Defined benefit plans and other long-term employee benefits are as follow:

			(Unit : Thousand Baht)	
	Consolidated F/S		Separate F/S	
	2018	2017	2018	2017
The statement of financial position				
Post - employee benefits	34,926	29,804	32,978	27,456
Other long-term employee benefits	2,856	2,375	2,822	2,358
Total	37,782	32,179	35,800	29,814
<u>Less</u> Current portion	(1,461)	(4,553)	(1,461)	(3,377)
Net	36,321	27,626	34,339	26,437

- Movements in employee benefits obligation for the years ended 31 December 2018 and 2017 are as follows :

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2018	2017	2018	2017
Employee benefit obligation as at				
1 January	32,178	30,362	29,814	30,362
Current service cost	8,766	7,478	7,869	5,180
Interest expense	919	896	877	829
Remeasurement - actuarial gain from				
changes in demographic assumptions				
which recognized in other				
comprehensive income	(1,322)	(3,272)	-	(3,272)
Benefits paid	(2,760)	(3,285)	(2,760)	(3,285)
Employee benefit obligation as at 31				
December	37,782	32,179	35,800	29,814
Wholly unfunded	37,782	32,179	35,800	29,814

- Principal actuarial assumptions at the reporting date for the years ended 31 December 2018 and 2017 are as follows :

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2018	2017	2018	2017
Discount rate	2.37 - 3.07	2.37	2.37	2.37
Salary growth rate	3 - 5	3 - 5	3 - 5	3 - 5
Number of employee (persons)	1,077	967	967	967
Average life expectancies:				
Below 31 years	16% - 22%	16%	16%	16%
Between 31 - 40 years	7% - 17%	10%	10%	10%
Between 41 - 50 years	6% - 7%	7%	7%	7%
Between 51 - 54 years	0% - 3%	3%	3%	3%

- Defined benefit plan expenses

Amounts recognized in profit or loss related to the Group's defined benefit plans are as follows:

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2018	2017	2018	2017
Current service cost	8,766	7,478	7,869	5,180
Net interest expense	919	896	877	829
Total expenses recognized in profit or loss	9,685	8,374	8,746	6,009

The current service cost is included in employee benefits expense. The net interest expense is included in finance costs.

- Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Changes in the significant actuarial assumptions

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
2018				
Discount rate				
Increase (decrease) in the defined benefit obligation	(4,415)	5,198	(4,188)	4,928
Salary growth rate				
Increase (decrease) in the defined benefit obligation	5,218	(4,303)	4,967	(4,085)
Staff turnover rate				
Increase (decrease) in the defined benefit obligation	(4,721)	2,887	(4,482)	2,823

		(Unit : Thousand Baht)	
		Consolidated F/S	
		Increase	Decrease
		1%	1%
2017			
Discount rate			
Increase (decrease) in the defined			
benefit obligation		(2,732)	3,194
Salary growth rate			
Increase (decrease) in the defined			
benefit obligation		3,080	(2,690)
Staff turnover rate			
Increase (decrease) in the defined			
benefit obligation		(2,914)	1,812

In 13 December 2018, the National Legislative Assembly approved the Labor Protection Act, that will become effective 30 days after its publication in the Government Gazette, determined employer to pay compensation, if an employee work consecutively period of 20 years or more, employees has right to receives severance payment of 400 days of wages at the most recent rate. When the labor law come into force, the Group will recognize the increase in provision for employee benefits including past services cost of Baht 7.56 million in the consolidated financial statements and Baht 7.10 million in the separate financial statements. The Group selected to recognize such effect in year 2019.

25.3 Defined contribution plan

The Group and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530 with the contribution to the fund and will be paid to the employees upon the termination in accordance with the fund rules. For the years ended 31 December 2018 and 2017, the Group has the contribution into the provident fund to amounting to Baht 5.02 million and Baht 4.67 million, respectively.

26. SHARE CAPITAL

26.1 Registered and paid –up share capital

At the Board of Directors Meeting No.1/2017 held on 17 January 2017, the board passed a distribute the treasury shares of the Company repurchased its own shares (treasury shares) during 1-15 February 2017. The Company has to distribute the treasury shares with the price not less than 0.60 Baht per share. When expire the due date of distribute the treasury shares. In case the Company has not distribute or cannot distribute, the Company will decrease all registered capital by reduced the number of outstanding unsold totaling shares. At the Board of Directors Meeting No. 2/2017 held on 27 February 2017, the board passed a resolution to decreased registered and fully paid-up share capital. The Company registered to decrease all registered capital with Department of Business Development at the same date. At the Annual General Shareholders' meeting held on 27 April 2017, shareholders passed a resolution to decreased registered share capital from Baht 5,716,304,582.75 to Baht 4,588,195,610.65 The Company registered to decrease registered share capital with Department of Business Development on 16 May 2017.

Movements in issued and fully paid –up share capital for the years ended 31 December 2018 and 2017 are as follows:

Registered share capital	Authorized date	Number of share (Thousand share)	Par value (Baht)	Thousand Baht
Balance as at 1 January 2017		6,890,064	0.85	5,856,556
Share reduction 1 st	27 February 2017	(165,000)	0.85	(140,250)
Share reduction 2 nd	16 May 2017	(1,327,187)	0.85	(1,128,110)
Balance as at 31 December 2018 and 2017		5,397,877		4,588,196
Issued and fully paid –up share capital	Authorized date	Number of share (Thousand share)	Par value (Baht)	Thousand Baht
Balance as at 1 January 2017		5,562,877	0.85	4,728,446
Share reduction 1 st	27 February 2017	(165,000)	0.85	(140,250)
Balance as at 31 December 2018 and 2017		5,397,877		4,588,196

26.2 Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

26.3 Capital surplus – Treasury shares

Share reduction in 26.1 has resulted of capital surplus on share reduction from treasury shares are as follows:

Issued and fully paid – up share capital	Number of share (Thousand share)	Par value (Baht)	Thousand Baht
Treasury shares as at 1 January 2017	(165,000)	0.55	(91,070)
Share reduction	165,000	0.85	140,250
Capital surplus – Treasury shares as at 31 December 2017	-		49,180

26.4 Legal Reserve

Under Section 116 of the Public Companies Act B.E. 2535, the Company is required to allocate at least 5% of its net income for the year, less any accumulated losses brought forward (if any), to a reserve account (“legal reserve”), until the reserve reaches an amount not less than 10% of the registered authorized share capital. The legal reserve is not available for dividend distribution.

26.5 Reserve for treasury shares

For the repurchase of its own shares, the Company must appropriate its retained earnings equal to the amount that the Company paid for the buy - back of such shares until such treasury shares are subsequently sold out for the whole amount or until the paid-up share capital is reduced by the number of outstanding unsold shares, as the case may be. On 27 February 2017, the Company registered to decrease registered capital with Department of Business Development due to the Company cannot distribute treasury shares within due date and also reversed the reserve for treasury shares amounting to Baht 91.07 million to retained earnings.

27. OTHER REVENUE

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	For the years ended 31 December			
	2018	2017	2018	2017
Revenues from steel and concrete trading	10,985	12,426	10,985	12,426
Revenues from material construction's				
sale scape	10,650	6,202	14,800	6,215
Management fee	1,120	-	8,614	8,550
Rental income	-	-	5,000	5,000
Revenue from sales - supply used	2,504	2,611	2,561	2,611
Gain on sale of investment	1,664	-	1,664	-
Other revenues	1,225	2,112	1,945	3,426
Total	28,148	23,351	45,569	38,228

28. EXPENSES BY NATURE

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	For the years ended 31 December			
	2018	2017	2018	2017
Changes in finished goods and work in progress	(201,614)	(61,965)	(106,284)	(61,965)
Purchase of finished goods	142,773	177,022	142,773	177,022
Raw materials and supplies used	893,902	711,411	821,926	711,402
Employee benefit expenses	308,508	283,122	279,932	272,279
Service fees	76,000	39,141	75,203	39,119
Installation costs	309,029	222,548	309,029	226,417
Labor costs	161,143	142,313	161,143	142,313
Depreciation and amortization expenses	77,904	61,066	69,507	61,003
Transportation expenses	110,199	76,840	109,445	76,840
Doubtful accounts	5,522	7,749	5,522	7,749
Allowance of declining for inventories	25,420	-	25,420	-

29. DEFERRED TAX AND INCOME TAX

29.1 Income tax

Income tax recognized in statements of profit or loss

	(Unit: Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2018	2017	2018	2017
Income tax recognized in profit or loss				
Current income tax				
Loss before income tax	(143,297)	(120,434)	(101,633)	(4,799)
Tax rate (%)	20	20	20	20
Income tax at corporation tax rate	(28,659)	(24,087)	(20,327)	(960)
Adjustment for				
- Tax-exempt income	(482)	(833)	(482)	(833)
- Addition taxable	(2,546)	(2,691)	(2,542)	(2,692)
- Non-deductible expenses	4,454	7,969	4,494	6,929
Impact from related transactions	963	21,788	-	-
Loss from subsidiary companies	(9,072)	298	-	-
Current year losses for which deferred tax assets was not recognized	35,342	-	18,857	-
Net	-	2,444	-	2,444

	Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2018	2017	2018	2017
Current income tax	-	2,444	-	2,444
Deferred tax from temporary differences	(8,910)	(17,161)	(1,197)	(544)
Total income tax	(8,910)	14,717	(1,197)	1,900
Income tax recognized in other comprehensive income	15,307	(28,146)	15,571	(28,146)

Income tax recognized in other comprehensive income:

(Unit : Thousand Baht)

	Consolidated					
	2018			2017		
	Before tax	Tax (expense)		Before tax	Tax (expense)	
		benefit	Net of tax		benefit	Net of tax
Unrealized gain on valuation of available - for - sales securities	(77,856)	15,571	(62,285)	137,464	(27,492)	109,972
Actuarial gains	1,321	(264)	1,057	3,272	(654)	2,618

(Unit : Thousand Baht)

	Separate F/S					
	2018			2017		
	Before tax	Tax (expense)		Before tax	Tax (expense)	
		benefit	Net of tax		benefit	Net of tax
Unrealized gain (loss) on valuation of available - for - sales securities	(77,856)	15,571	(62,285)	137,464	(27,492)	109,972
Actuarial gains	-	-	-	3,272	(654)	2,618

29.2 Deferred tax

Deferred tax asset and liabilities are as follow :

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2018	2017	2018	2017
Deferred tax assets	21,836	16,543	21,627	5,963
Deferred tax liabilities	-	(1,104)	-	(1,104)
Net	21,836	15,439	21,627	4,859

The movements in deferred tax assets and liabilities are as follows :

(Unit: Thousand Baht)

	Consolidated F/S			
	Recognized in			31 December 2018
	1 January 2018	Statement of profit or loss	Other comprehensive income	
Deferred tax assets from :				
Employee benefits obligation	6,436	1,197	(264)	7,369
Investment in associated company and joint venture	10,107	(10,107)	-	-
Investments in available for sales securities	-	-	14,467	14,467
	<u>16,543</u>	<u>(8,910)</u>	<u>14,199</u>	<u>21,836</u>
Deferred tax liabilities from :				
Investments in available for sales securities	(1,104)	-	1,104	-
	<u>(1,104)</u>	<u>-</u>	<u>1,104</u>	<u>-</u>

(Unit: Thousand Baht)

	Consolidated F/S			
	Recognized in			31 December 2017
	1 January 2017	Statement of profit or loss	Other comprehensive income	
Deferred tax assets from :				
Employee benefits obligation	6,073	1,017	(654)	6,436
Investment in associated company and joint venture	-	10,107	-	10,107
Investments in available for sales securities	26,388	-	(26,388)	-
	<u>32,461</u>	<u>11,124</u>	<u>(27,042)</u>	<u>16,543</u>
Deferred tax liabilities from :				
Investments in associated company and joint venture	(6,037)	6,037	-	-
Investments in available for sales securities	-	-	(1,104)	(1,104)
	<u>(6,037)</u>	<u>6,037</u>	<u>(1,104)</u>	<u>(1,104)</u>

(Unit: Thousand Baht)

Separate F/S			
	Recognized in		
	1 January 2018	Statement of profit or loss	Other comprehensive income
31 December 2018			
Deferred tax assets from :			
Employee benefits obligation	5,963	1,197	-
Investments in available for sales securities	-	-	14,467
	5,963	1,197	14,467
			21,627
Deferred tax liabilities from :			
Investment in available for sales securities	(1,104)	-	1,104
	(1,104)	-	1,104
			-

(Unit: Thousand Baht)

Separate F/S			
	Recognized in		
	1 January 2017	Statement of profit or loss	Other comprehensive income
31 December 2017			
Deferred tax assets from :			
Employee benefits obligation	6,073	544	(654)
Investment in available for sales securities	26,388	-	(26,388)
	32,461	544	(27,042)
			5,963
Deferred tax liabilities from :			
Investment in available for sales securities	-	-	(1,104)
	-	-	(1,104)
			(1,104)

As at 31 December 2018, in the consolidated and separate financial statements have not recognized deferred income tax assets from the allowance for doubtful debts and the allowance for defective inventories totaling of Baht 44.63 million (31 December 2017: totaling of Baht 18.35 million), and in the separate financial statements, allowance for impairment on investment in associated company of Baht 19.04 million because they are unlikely to reverse in the foreseeable future.

30. PROMOTIONAL PRIVILEGES

Subsidiaries obtained promotional privileges from the Board of investment under the promotional certificate issued on 15 January 2014 for manufacturing of metal product. Under these privileges, the Company has received an exemption from certain taxes and corporate income tax as specified in such promotional certificate for a period of 7 years, commencing from the first date the subsidiaries generates income from operations. As a promoted business, the subsidiaries is required to comply with the terms and conditions as specified in such promotional certificate.

31. SEGMENT REPORTING

Segment reporting is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The Company is principally engaged in one operating segment which is manufacturing and sales of concrete products for construction. Their operation is carried out in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographical area.

Major Customer

For the years ended 31 December 2018 and 2017, the Company has revenue generated from customer more than 10 percent of revenue in the consolidated and separate financial statements of 1 customer and 2 customers totaling Baht 312.06 million and Baht 220.76 million, respectively.

32. BASIC EARNINGPER SHARE

Basic earnings per share is calculated by dividing profit (loss) for the year by the weighted average number of common shares outstanding during the year. Movements in common shares are as follows.

For the years ended 31 December 2018 and 2017 are as follows:

	CONSOLIDATED F/S		SEPARATE F/S	
	2018	2017	2018	2017
Numbers of common shares (Thousand share) as at 1 January	5,397,877	5,397,877	5,397,877	5,397,877
Decrease in numbers of common shares during the year (Thousand share)	-	-	-	-
Basic numbers of common shares (Thousand share) as at 31 December	5,397,877	5,397,877	5,397,877	5,397,877
Loss of the Company (Thousand Baht)	(149,597)	(105,454)	(100,436)	(6,699)

Basic earnings (loss) per share (Baht per share)	<u>(0.02771)</u>	<u>(0.01954)</u>	<u>(0.01861)</u>	<u>(0.00124)</u>
--	------------------	------------------	------------------	------------------

During the year 2017, the Company has decreased paid-up share capital due to the Company cannot distribute treasury shares within due date. However, such transaction was not affected to numbers of common shares during the year due to the treasury shares have been decreased and weighted in the prior year.

33. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The amendment to TAS 7, effective 1 January 2018, require the Group to provide disclosures about the changes in liabilities from financing activities. The Group categorizes those changes into changes arising from cash flows and non-cash changes with further sub-categories as required by TAS 7.

The changes in the Group's liabilities arising from financing activities can be classified as follows;

(Unit : Thousand Baht)				
Consolidated F/S				
	Short-term loan	Finance lease	Long-term loans	Total
1 January 2018	40,682	967	710,086	751,735
Cash-flows:				
Repayment	(423,516)	(251)	(149,500)	(573,267)
Proceeds	982,323	-	142,016	1,124,339
Non-cash:				
Reclassification	(306,717)	-	306,717	-
Gain/loss on exchange rate	(36)	-	-	(36)
31 December 2018	292,736	716	1,009,319	1,302,771

(Unit : Thousand Baht)

Consolidated F/S

	Short-term loan	Finance lease	Long-term loans	Total
1 January 2017	119,213	619	284,109	403,941
Cash-flows:				
Repayment	(141,816)	(310)	(78,000)	(220,126)
Proceeds	63,326	-	503,976	567,303
Non-cash:				
Acquisition	-	658	-	658
Gain/loss on exchange rate	(41)	-	-	(41)
31 December 2017	40,682	967	710,086	751,735

(Unit : Thousand Baht)

Separate F/S

	Short-term loan	Finance lease	Long-term loans	Total
1 January 2018	291,463	967	648,683	679,108
Cash-flows:				
Repayment	(669,677)	(251)	(103,200)	(752,512)
Proceeds	784,616	-	19,431	783,431
Non-cash:				
Gain/loss on exchange rate	(36)	-	-	(36)
31 December 2018	406,365	716	505,779	709,991

(Unit : Thousand Baht)

	Separate F/S			
	Short-term	Finance	Long-term	Total
	loan	lease	loans	
1 January 2017	263,113	619	284,109	547,841
Cash-flows:				
Repayment	(34,935)	(310)	(78,000)	(113,245)
Proceeds	63,326	-	180,570	243,895
Non-cash:				
Acquisition	-	658	-	658
Gain/loss on exchange rate	(41)	-	-	(41)
31 December 2017	291,463	967	386,679	679,108

34. FINANCIAL INSTRUMENTS

34.1 Financial risk management policies

The Group have exposure to normal business risks from changes in market interest rates and foreign currency rates and from non-performance of contractual obligations by counterparties. The Company and subsidiaries do not hold or issue derivative financial instruments for speculative or trading purposes.

34.2 Liquidity risk

The Group monitor its liquidity risk and maintain a level of cash and cash equivalents deemed adequate by management to finance the Group operations and to mitigate the effects of fluctuations in cash flows.

34.3 Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due. The Group have policy for this risk by controlling the application of credit approvals, limits and monitoring procedures. The maximum credit risk exposure is represented at carrying amount at the date of statement of financial position.

34.4 Foreign currency risk

The Group have some transaction in foreign currency as resulted of exposure in changing in exchange rates. However, the management believes that the foreign exchange rate risk is minimal.

As at 31 December 2018, the Group had the following financial assets and financial liabilities denominated in foreign currency that have not been hedged as follow:

Currency	Consolidated		Separate F/S	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
YEN	-	4,158,000	-	4,158,000
USD	2,176	69,324	2,176	69,324

34.5 Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the Group cash flows because loan interest rates are mainly floating. The Company and subsidiaries are primarily exposed to interest rate cash flows risk from its borrowings. Interest rate risk will arise from a change of interest rates in the market.

As at 31 December 2018 and 2017, significant financial assets and financial liabilities with exposures to value and cash flows risk arising from changes in interest rates are as follows :

(Unit : Thousand Baht)

2018

	Consolidated F/S					Separate F/S				
	Principal			Average InterestRate (%)		Principal			Average InterestRate (%)	
	Floating	Fixed	Total	Floating	Fixed	Floating	Fixed	Total	Floating	Fixed
	Interest Rate	Interest Rate				Interest Rate	Interest Rate			
Assets										
Cash at banks										
- saving deposits	37,782	-	37,782	0.25 - 1.00 0.87 - 1.00	-	37,341	-	37,341	0.25 - 1.00 0.87 - 1.00	-
Restricted deposits at bank	-	-	-		-	-	-	-	0.87 - 1.00	-
Liabilities										
Short - term loan										
from financial institutions	292,736	-	292,736	3.75 - 7.00	-	203,496	-	203,496	3.75 - 7.00	-
Long - term loans										
from financial institutions	1,009,319	-	1,009,319	MLR - 0.5 - 2.00	-	302,909	-	302,909	MLR - 0.5 - 1.00	-
Liabilities under										
finance lease agreement	-	716	716	-	3.05	-	716	716	-	3.05
Loan - subsidiary company	-	-	-	-	-	198,000	-	198,000	MLR - 0.50	-

(Unit : Thousand Baht)

2017										
	Consolidated F/S					Separate F/S				
	Principal			Average InterestRate (%)		Principal			Average InterestRate (%)	
	Floating	Fixed	Total	Floating	Fixed	Floating	Fixed	Total	Floating	Fixed
	Interest Rate	Interest Rate				Interest Rate	Interest Rate			
Assets										
Cash at banks										
- saving deposits	29,306	-	29,306	0.25 - 1.00	-	17,555	-	17,555	0.25 - 1.00	-
Restricted deposits at bank	27,930	-	27,930	0.87 - 1.00	-	27,930	-	27,930	0.87 - 1.00	-
Liabilities										
Short - term loan from financial institutions	40,682	-	40,682	3.75 - 7.00	-	29,458	-	29,458	3.75 - 7.00	-
Long - term loans from financial institutions	710,085	-	710,085	MLR - 0.5 - 2.00	-	386,679	-	386,679	MLR - 0.5 - 1.00	-
Liabilities under finance lease agreement	-	967	967	-	3.05	-	967	967	-	3.05
Loan - subsidiary company	-	-	-	-	-	259,500	-	259,500	MLR - 0.50	-

35. COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 December 2018,

35.1 The Company has commitments under contracts with customers for sales and services for which goods or services have not been delivered or rendered totaling Baht 1,850.62 million.

35.2 The Company is liable for letters of guarantee issued by a bank to customers for the performance bonds and for the use of electricity totaling. The Company's fixed deposits and part of the Company's land and construction have been mortgaged/pledged as collaterals for such letters of guarantee.

	(Unit : Thousand Baht)	
	Consolidated F/S	Separate F/S
Liable for letters of guarantee	269,835	255,392

35.3 The Company has outstanding lease commitments regarding land and car rental under non-cancelable agreements as follows :

	(Unit : Thousand Baht)	
	Consolidated F/S	and Separate F/S
Due within 1 year	19,251	16,318
Due after 1 year but within 5 years	20,679	16,609
Total	39,930	32,927

35.4 As at 31 December 2018 and 2017, the Group have opened credit facilities as follow :

(Unit : ThousandBaht)

		Consolidated F/S					
		2018			2017		
	Currency	Total	Utilized	Remained	Total	Utilized	Remained
Letters of guarantee	Baht	585,643	(269,835)	315,808	854,326	(212,462)	641,864
Bank overdraftand others	Baht	1,885,000	(1,624,863)	260,137	1,896,508	(929,483)	967,025

(Unit : ThousandBaht)

		Separate F/S					
		2018			2017		
	Currency	Total	Utilized	Remained	Total	Utilized	Remained
Letters of guarantee	Baht	305,000	(255,392)	49,608	587,326	(212,462)	374,864
Bank overdraftand others	Baht	895,000	(783,033)	111,967	895,000	(594,569)	300,431

The above obligations are collateralized by the mortgages of part of the Company's land and construction thereon as mentioned in Note 17.

35.5 The Company has commitment for stand by letter of credit issued by a bank which joint with a related party amounting to USD 6.07 million for guarantee credit facility of joint venture. These credit facilities are collateralized by the share ofWisdom Tree Investment (S) PTE Limited which held by the Company

35.6 The Group has commitment for assets as follow :

	Currency	Consolidated F/S	Separate F/S
Factory construction	Million Baht	23.71	-
Factory construction consultant Fee	Million Yen	16.07	-
Purchase of equipment and machinery	Million Baht	12.11	2.88
	Million Dollar	0.18	-
	Million Euro	0.11	-

36. RECLASSIFICATION

The statement of profit or loss for the year ended 31 December 2017 was reclassified for comparison with the current year with the effects as follows:

	Consolidated F/S		(Unit : Thousand Baht)	
			Separate F/S	
	Before reclassification	After reclassification	Before reclassification	After Reclassification
STATEMENTS OF FINANCIAL POSITION				
Retention receivables - current portion due				
within one year	-	16,707	-	16,707
Retention receivables	47,548	30,842	47,548	30,842
Property, plant and equipment - net	2,560,585	2,558,585	1,705,584	1,705,584
Other non - current assets	1,992	3,921	1,992	1,992
STATEMENTS OF PROFIT OR LOSS				
Costs of sales and services	1,607,025	1,612,479	1,620,837	1,626,291
Administrative expenses	122,620	117,166	103,545	98,091

37. APPROVAL OF FINANCIAL STATEMENTS

Consolidated and Separate financial Statements for the year ended 31 December 2018 have been approved by the Company's Board of Directors on 28 February 2019.